

Item # _____
Commissioner _____

Prepared By: Richard J. Miller
Approved By: _____

A RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION VARIABLE RATE DEMAND REFUNDING BONDS, 2008 SERIES B OF SHELBY COUNTY, TENNESSEE, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED SEVENTY-NINE MILLION DOLLARS (\$79,000,000) PURSUANT TO SECTIONS 9-21-101, ET SEQ. AND SECTION 49-3-1001, ET SEQ. OF THE TENNESSEE CODE ANNOTATED (THE "T.C.A.") FOR THE PURPOSE OF REFUNDING A PORTION OF THE COUNTY'S GENERAL OBLIGATION VARIABLE RATE DEMAND REFUNDING BONDS, 1999 SERIES A, ISSUED PURSUANT TO SECTIONS 9-21-901 THROUGH 9-21-916 OF THE T.C.A.; MAKING PROVISION FOR THE RAISING ANNUALLY BY TAX UPON ALL PROPERTY SUBJECT TO TAXATION BY SHELBY COUNTY, TENNESSEE OF A SUM SUFFICIENT TO PAY AS THE SAME SHALL BECOME DUE, THE INTEREST AND PRINCIPAL OF THE BONDS; PRESCRIBING THE MAXIMUM INTEREST RATE TO BE BORNE THEREBY, THE FORM THEREOF AND CERTAIN DETAILS RELATING THERETO; AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE SWAP AGREEMENTS, INCLUDING SCHEDULES AND CONFIRMATIONS REALTIVE TO THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT IN CONNECTION THEREWITH; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT, IF NECESSARY, IN CONNECTION WITH THE REFUNDING OF THE REFUNDED BONDS; PROVIDING FOR CERTAIN OTHER MATTERS DEEMED NECESSARY AND PROPER IN CONNECTION WITH THE ISSUANCE OF SAID BONDS; AUTHORIZING THE PROPER OFFICERS TO DO ALL THINGS NECESSARY OR ADVISABLE IN CONNECTION WITH THE SALE OF SUCH BONDS; AMEND THE DEBT SERVICE FUND BUDGET; AND PROVIDING AN EFFECTIVE DATE HEREOF.

WHEREAS, the Board of County Commissioners (the "Board") of Shelby County, Tennessee (the "County") on December 21, 1998 authorized the issuance of the County's General Obligation Variable Rate Demand Refunding Bonds, 1999 Series A, in the original principal amount of \$96,150,000 (the "1999 Bonds"); and

WHEREAS, the Board has determined it is in the best interests of the County to refund all of the outstanding 1999 Bonds (the "Refunded Bonds"); and

WHEREAS, the Refunded Bonds were issued to finance or refinance the cost of acquiring, equipping and constructing various public works projects, including but not limited to airports, hotels, bridges, tunnels, viaducts, courthouses, hospitals, sanitariums, dispensaries, clinics,

health centers, mental health centers, and clinics, fair exhibition buildings, fairgrounds improvements, libraries, parks, playgrounds, recreation centers and facilities, almshouses, jails, workhouses, reformatories, public buildings, market houses, auditoriums, plazas, roads, highways, levees, flood control drainage systems and projects, schools, school purposes, transportation equipment for schools, sewers, sewage disposal systems, sewage treatment plants, railroads, railway terminals, railway belt lines and switches, river and navigation improvements, docks, ship canals, port and harbor improvements, parking lots, parking garages and facilities, water lines or mains, and any and all other lands and structures and undertakings which a county may properly own in its governmental or proprietary capacity, together with all property real and personal appurtenant thereto or connected with such work, undertaking or project and any existing work, undertaking or project, if any, to which such work, undertaking or project is an extension, addition, betterment, improvement or for various school purposes; and

WHEREAS, the County has previously requested and received the approval of the State Director of Local Finance for the refunding of the Refunded Bonds, and the Board desires to ratify all actions taken by County Officials and agents of the County in obtaining such approval; and

WHEREAS, based on the major disruption in the credit markets relative to auction rate securities, the Board finds it is advantageous and necessary for the County to refund the Refunded Bonds in order to allow the 2008 Series B Bonds to be remarketed in a more stable market.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, that:

ARTICLE I

DEFINITIONS

101. Definitions. In this Resolution:

“Additional Credit Facility” means any insurance policy, surety bond, letter of credit or line of credit or similar agreement satisfactory to the County and the Trustee obtained to provide credit support for the Variable Rate Bonds in accordance with Section 508.

“Alternate Liquidity Facility” means for the purposes of this Resolution, an irrevocable letter of credit and related reimbursement agreement, line of credit, standby bond purchase agreement or similar agreement providing for the purchase of all or a portion of the Variable Rate Bonds, as amended, supplemented or extended from time to time.

“Authorized Denominations” means, (1) with respect to any 2008 Series B Bond bearing interest at a Variable Rate or a Medium Term Rate, \$100,000 or multiples of \$5,000 in excess thereof, and (2) with respect to any Bond bearing interest at a Fixed Rate, \$5,000 or any integral multiple thereof.

“Available Moneys” means moneys which are continuously on deposit with the Trustee or the Paying Agent in trust for the benefit of the owners of the Bonds in a separate and segregated account in which only Available Moneys are held and which constitute (1) proceeds of the Bonds received contemporaneously with the issuance, delivery and sale of the Bonds, (2) other moneys held in any fund created under this Resolution that has been continuously on deposit in trust with the Trustee or the Paying Agent for the benefit of the owners of the Bonds for a period of 123 consecutive days during and prior to which no petition in bankruptcy under the U. S. Bankruptcy Code has been filed by or against the County and no similar proceedings have been instituted under state insolvency or other laws affecting creditors’ rights generally, (3) funds for which the Trustee has received a written opinion of counsel nationally recognized in bankruptcy matters and acceptable to the Trustee to the effect that payment of such moneys to the owners of the Bonds would not constitute an avoidable preference under the U.S. Bankruptcy Code or under applicable State law if the County were to become a debtor under the U.S. Bankruptcy Code or under applicable state law, (4) a drawing under the Credit Facility or payments otherwise made under an Alternate Credit Facility, or (5) the investment of funds qualifying as Available Moneys under the foregoing clauses.

“Bank” means the provider of a Credit Facility or Liquidity Facility, as the case may be.

“Bank Bond Purchase Account” means the account by that name established pursuant to Section 402 hereunder.

“BMA Municipal Swap Index” means the SIFMA Municipal Swap Indextm generally disseminated by Municipal Market Data, a Thomson Financial Service Company, or any successor thereto.

“Bond Counsel” means any firm of nationally recognized municipal bond attorneys selected by the County and experienced in the issuance of municipal bonds and matters relating to the exclusion of the interest thereon from gross income for Federal income tax purposes.

“Bond Registrar” initially means the County Trustee and any subsequent Bond Registrar appointed to serve as Bond Registrar hereunder who shall also be the Paying Agent.

“Bonds” means the County’s General Obligation Variable Rate Demand Refunding Bonds, 2008 Series B with such other series designation as deemed appropriate to accurately reflect the then current interest rate period.

“Business Day” means any day other than (a) a day on which banks located in the cities in which the principal office of any of the Trustee, the Remarketing Agent or the Bank is located are required or authorized by law to close, (b) a day on which the New York Stock Exchange is closed, or (c) a day on which the payment system of the Federal Reserve System is

not operational. For purposes of this definition, the principal office of the Bank shall be that office at which demands for payment are to be presented.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commercial Paper Bonds” means Bonds bearing interest at the Commercial Paper Rate.

“Commercial Paper Rate” means with respect to each Commercial Paper Bond, the interest borne by such Bond pursuant to Section 204(b)(i).

“Commercial Paper Period” means the Interest Period for any Commercial Paper Bond, then in effect, such Interest Period may not extend beyond the 15th day preceding the Credit Expiration Date or if such 15th day is not a Business Day, the immediately preceding Business Day.

“Conversion” means the conversion of the interest rate on the Bonds from one interest rate mode to another interest rate mode in accordance with the provisions of this Resolution.

“Conversion Date” means the Interest Payment Date which is the effective date of any Conversion.

“Coverage Amount” means, as of any given date, an amount equal to the principal amount of Bonds Outstanding secured by the Credit Facility or the Liquidity Facility in question plus (1) during any Commercial Paper Period or Medium Term Rate Period, such number of days’ interest on the Bonds as may be required to maintain the ratings then in effect on the Bonds, (2) during any Daily Rate Period, Weekly Rate Period or Monthly Rate Period, 45 days’ interest on such Bonds, computed at a rate per annum equal to the Maximum Rate or (3) such other number of days as will not adversely affect the rating then in effect on such Bonds.

“Credit Expiration Date” means the date which is 5 Business Days before the Credit Facility or Liquidity Facility, as the case may be, is to terminate or expire, including any extension of such date, unless provision has been made in accordance with Sections 207(d) and 215 for the delivery of an Alternate Liquidity Facility which does not result in the ratings then in effect on the Bonds being reduced or withdrawn.

“Credit Facility” means for the purposes of this Resolution, a letter of credit, a liquidity guarantee, standby bond purchase agreement, a municipal bond insurance policy, a surety bond, line of credit, or other similar agreement or credit enhancement satisfactory to the County.

“Credit Provider Bonds” has the meaning ascribed to such term in Section 209(c) hereof.

“Credit Provider Rate” shall at any date of determination have meaning ascribed thereto in the Liquidity Facility in effect on such date.

“Daily Rate” means the interest rate determined in accordance with Section 204(b)(ii).

“Daily Rate Bonds” means the Bonds bearing interest at the Daily Rate.

“Daily Rate Period” means the period beginning on the date of determination of the Daily Rate and ending on the date of determination of a new Daily Rate or the next Conversion Date.

“Delivery Office” means the principal office of the Tender Agent or such other address as may be specified by the Tender Agent for receiving Bonds and the notices set forth in Section 207.

“DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for a series of Bonds.

“Electronic Means” means telecopy, telegraph, telex, facsimile transmission or other similar electronic means of communication, including a telephonic communication confirmed by writing or written transmission.

“Favorable Opinion of Bond Counsel” mean, with respect to any action the occurrence of which requires such an opinion, an unqualified Opinion of Counsel, which shall be a Bond Counsel, to the effect that such action is permitted under the Act and this Resolution and will not adversely affect the exclusion of interest on the Bonds from gross income for purposes of Federal income taxation.

“Fitch” means Fitch Ratings, duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns.

“Fixed Rate” means the Fixed Rate established in accordance with Section 204(b)(iv).

“Fixed Rate Bonds” means Bonds bearing interest at a Fixed Rate.

“Fixed Rate Conversion Date” means the effective date of a Fixed Rate established in accordance with Section 206.

“Fixed Rate Period” means the period during which the Bonds bear interest at the Fixed Rate, which period ends on the maturity date of the Bonds.

“Initial Interest Rate” means the rate of interest borne by the Variable Rate Bonds during the Initial Interest Rate Period.

“Initial Interest Rate Period” means the period from and including the date of initial authentication and delivery of the Variable Rate Bonds to a date that is not more than 364 days after the date of initial authentication and delivery of the Variable Rate Bonds.

“Interest Payment Date” means (1) for all Daily Rate Bonds, Weekly Rate Bonds and Monthly Rate Bonds, the first Business Day of each calendar month; (2) for each Commercial Paper Bond, the Rate Adjustment Date immediately following the Commercial Paper Period for which such interest accrued; (3) for Medium Term Rate Bonds or Fixed Rate Bonds, each April 1 and October 1; (4) the date of mandatory tender under Sections 206 and 207, (5) any date Variable Rate Bonds are called for optional redemption pursuant to Section 302(a) hereof; and (6) the maturity date of the Bonds.

“Interest Period” means (1) with respect to each Daily Rate Bond, Weekly Rate Bond or Monthly Rate Bond, the Daily Rate Period, Weekly Rate Period or the Monthly Rate Period applicable thereto or (2) with respect to each Commercial Paper Bond, Medium Term Rate Bond or Fixed Rate Bond, that period beginning on an Interest Payment Date or a Conversion Date through and including the date preceding the next Interest Payment Date.

“Liquidity Facility” means an irrevocable letter of credit and related reimbursement agreement, line of credit, standby bond purchase agreement or similar agreement providing for the purchase of all or a portion of the Variable Rate Bonds, as amended, supplemented or extended from time to time and any Alternate Liquidity Facility.

“Liquidity Purchaser” means the provider of the Liquidity Facility then in effect.

“Maximum Interest Rate” for the purposes of this Resolution means the lesser of: (a) the maximum applicable interest rate, if any, permitted by Tennessee law or (b) fifteen percent (15%) per annum; provided, however, that in connection with Purchased Bonds and Credit Provider Bonds, “Maximum Interest Rate” shall mean the applicable maximum rate, if any, permitted under Tennessee law.

“Medium Term Rate Bonds” means the Bonds bearing the Medium Term Rate.

“Medium Term Rate” means the interest rate determined in accordance with Section 204(b)(vi).

“Medium Term Rate Period” means the period beginning on a Conversion Date after which the Bonds will bear interest at a Medium Term Rate and ending on the next succeeding Conversion Date.

“Monthly Rate” means the interest rate determined in accordance with Section 204(b)(v).

“Monthly Rate Bonds” means the Bonds bearing the Monthly Rate.

“Monthly Rate Period” means (1) the period beginning on a Conversion Date and ending on the day preceding the first Business Day of the month following such Conversion Date and (2) the period beginning on the first Business Day of a calendar month and ending on the day preceding the first Business Day of the following calendar month.

“Moody’s” means Moody’s Investors Service, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns.

“Outstanding” means, when used with reference to the Bonds at any date as of which the amount of outstanding Bonds is to be determined, all Bonds that have been authenticated and delivered by the Bond Registrar hereunder, except:

- (i) Bonds cancelled or delivered for cancellation at or prior to such date;
- (ii) Untendered Bonds to the extent that there is on deposit with the Remarketing Agent or the Tender Agent on the date purchase thereof is required as provided herein an amount to pay the Purchase Price thereof; and

“Owner” means the Bondholder of any Variable Rate Bonds.

“Paying Agent” means initially the County Trustee and any subsequent Paying Agent appointed to serve a Paying Agent hereunder.

“Purchased Bonds” shall mean Variable Rate Bonds purchased by the Liquidity Purchaser for so long as such Variable Rate Bonds are subject to the Purchased Bonds Rate.

“Purchased Bonds Rate” shall, at any date of determination, have the meaning ascribed thereto in the Liquidity Facility in effect on such date. For purposes of this Resolution, the Purchased Bonds Rate shall not apply when Variable Rate Bonds cease to be Purchased Bonds.

“Purchase Date” means, (1) for a Commercial Paper Bond, the Rate Adjustment Date following the current Commercial Paper Period as set forth in Section 207(b); (2) for Daily Rate Bonds, the Business Day as set forth in Section 207(a)(i); (3) for Weekly Rate Bonds, the Business Day as set forth in Section 207(a)(ii); (4) for Monthly Rate Bonds, the Business Day as set forth in Section 207(a)(iii); (5) for Medium Term Rate Bonds, the Business Day as set forth in Section 207(a)(iv); and (6) for all Bonds, any Business Day on which Bonds are subject to mandatory purchase pursuant to Section 207(c),(d) and (e).

“Purchase Price” means an amount equal to the aggregate principal amount of Bonds tendered for purchase plus, if the Purchase Date is not an Interest Payment Date, accrued interest to the Purchase Date.

“Qualified Exchange Agreement” means any interest rate swap agreement, interest rate exchange agreement or hedge, including supplements and amendments thereto which meets the requirements set forth in the “Guidelines for Interest Rate and Forward Purchase Agreements” as promulgated by the Tennessee State Funding Board on July 30, 2002, as amended.

“Qualified Swap or Swap Agreement” means any Qualified Exchange Agreement, which has been designated in writing to the Trustee by an Authorized Officer of the County as a Qualified Swap with respect to such Variable Rate Bonds.

“Qualified Swap Provider” shall mean any counterparty, whose senior long term debt obligations, other senior unsecured long term obligations or claims paying ability, or whose payment obligations, under a Qualified Swap are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations or who has provided collateral such that its claims paying ability is rated (at the time the subject Qualified Swap is entered into) at least as high as required under the “Guidelines for Interest Rate and Forward Purchase Agreements” as promulgated by the Tennessee State Funding Board on July 30, 2002, as amended.

“Rate Adjustment Date” means, with respect to Commercial Paper Bonds, the first Business Day immediately following the end of the preceding Commercial Paper Period applicable to such Bond.

“Rating Agency” means Moody’s, S & P or Fitch.

“Rating Confirmation Notice” means a written notice from each Rating Agency confirming that, upon the effective date of the Alternate Liquidity Facility, the short-term ratings on the Variable Rate Bonds will not be lowered or withdrawn from the then current short-term rating as a result of action proposed to be taken.

“Record Date” means (i) with respect to the Initial Interest Rate Period and the Weekly Interest Rate Period, the Business Day immediately preceding the Interest Payment Date, and (ii) with respect to the Fixed Interest Rate Period, the 15th day of the immediately preceding calendar month.

“Remarketing Agent” means Morgan Keegan & Company, Inc., the initial purchaser of the 2008 Series B Bonds, and any successor Remarketing Agent appointed by the County.

“Remarketing Agreement” means the agreement entered into by the County and the Remarketing Agent pursuant to Section 403 hereof.

“Remarketing Proceeds” means proceeds of the remarketing of Bonds tendered or deemed tendered for purchase under Section 207.

“Remarketing Proceeds Account” means the account by that name established pursuant to Section 402 hereunder and held by the Tender Agent.

“Securities Depositories” means The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax-(516) 227-4039 or 4190; Midwest Securities Trust Company, Capital Structures-Call Notification, 440 South LaSalle Street, Chicago, Illinois 60605, Fax-(312) 663-2343; Philadelphia Depository Trust Company, Reorganization Division, 1900 Market Street, Philadelphia, Pennsylvania 19103, Attention: Bond Department, Dex-(215) 496-5058; provided, however, in accordance with then current guidelines of the Securities and Exchange Commission, Securities Depositories shall mean such other securities depositories as the County may designate in writing to the Trustee.

“2008 Series B Bonds” means the County’s General Obligation Variable Rate Demand Refunding Bonds, 2008 Series B authorized by Article II of this Resolution.

“Standard and Poor’s” or “S & P” means Standard & Poor’s Ratings Service, Inc., duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns; and if such corporation shall be dissolved or liquidated or shall no longer perform the function of a municipal securities rating agency, “Standard and Poor’s” shall be deemed to refer to any other recognized municipal securities rating agency designated by the County.

“Tender Agency Agreement” means the agreement entered into by the County with the Tender Agent pursuant to Section 401.

“Tender Agent” means the party so designated in the Tender Agency Agreement as the tender agent and any successor or successors thereto as shall be appointed pursuant to Section 401 of this Resolution.

“Trustee” shall initially mean the Tender Agent or any agent appointed by the County Commission to serve as Trustee hereunder.

“Resolution” shall mean this Resolution.

“Underwriter” means Morgan Keegan & Company, Inc. as the initial purchaser of the 2008 Series B Bonds.

“Variable Rate Bonds” means the Commercial Paper Bonds, the Daily Rate Bonds, the Weekly Rate Bonds and the Monthly Rate Bonds.

“Variable Rate Period” means the period during which the Bonds bear interest at the Variable Rate.

“Variable Rate” means the Commercial Paper Rate, the Daily Rate, the Weekly Rate and the Monthly Rate.

“Weekly Rate” means the interest rate determined in accordance with Section 204(b)(iii).

“Weekly Rate Bonds” means the Bonds bearing the Weekly Rate.

“Weekly Rate Period” means the period beginning on, and including any Wednesday (or, if not a Business Day, on the next succeeding Business Day) and ending on, and including the then next Tuesday (or the day immediately preceding the first day of the next Weekly Rate Period for Weekly Rate Bonds), except that (1) the first “Weekly Rate Period” for the Bonds means the period beginning on the date the Bonds are issued and ending on the next succeeding Tuesday or the day immediately preceding the first day of the next Weekly Rate Period and (2) in the event of Conversion to Weekly Rate Bonds, the first “Weekly Rate Period” means the period beginning on the Conversion Date and ending on the next succeeding Wednesday (or the day immediately preceding the first day of the next Weekly Rate Period for Weekly Rate Bonds).

ARTICLE II

AUTHORIZATION OF VARIABLE RATE BONDS

201. Principal Amount, Designation and Series. Pursuant to the provisions Sections 9-21-101, et seq. and 49-3-1001 et seq., of the Tennessee Code Annotated, General Obligation Variable Rate Demand Refunding Bonds of Shelby County, Tennessee are hereby authorized in the principal amount of not exceeding \$79,000,000, and shall be designated as, and shall be distinguished from the Bonds of all other series by the title, "General Obligation Variable Rate Demand Refunding Bonds, 2008 Series B."

202. Purpose. The 2008 Series B Bonds are issued for the purpose of currently refunding the Refunded Bonds.

203. Details of Bonds; Payment.

(a) The Bonds will initially all be dated their date of initial authentication and delivery, and Bonds executed in exchange for or on the registration or transfer of Bonds will be dated as of the Interest Payment Date preceding the day of authentication thereof, unless the date of such authentication is an Interest Payment Date to which interest on the Bonds has been paid in full or duly provided for in accordance with the terms of this Resolution, in which case they will be dated as of such Interest Payment Date; except that if, as shown by the records of the Paying Agent, interest on the Bonds is in default, Bonds executed and delivered in exchange for or upon registration of transfer of Bonds will be dated as of the date to which interest on the Bonds has been paid in full. If no interest has been paid on the Bonds, Bonds executed and delivered in exchange for or on the registration of transfer of Bonds will be dated the date of initial authentication and delivery thereof.

(b) Principal of and premium, if any, on the Bonds will be payable at the principal office of the Paying Agent. Payment of the principal of and premium, if any, on the Bonds will be made on the presentation and surrender of such Bonds as the same will become due and payable. Payment of the interest on each Bond will be made by the Paying Agent on each Interest Payment Date to the person appearing as the Owner thereof as of the close of business on the Record Date preceding the Interest Payment Date, by check mailed to such Owner at his address as it appears on the registration books maintained by the Registrar or at such other address as is furnished in writing by such Owner to the Registrar. The final maturity date of the Bonds shall be April 1, 2020.

(c) Notwithstanding anything provided above, (1) payment of interest on the Bonds may (except as otherwise provided for Purchased Bonds), at the option of any Owner of Bonds in an aggregate principal amount of at least \$1,000,000, be transmitted by wire transfer to such Owner, on written request therefor delivered to the Registrar, to the bank account number on file with the Registrar as of the relevant Record Date, (2) principal or redemption price of and interest on each Commercial Paper Bond will be payable (by check mailed or, if presented and surrendered by 12:30 p.m. New York City time, by wire transfer) on presentation and surrender

of such Bond on or after the due dates for such payments at the principal office of the Paying Agent, and (3) all payments of principal or redemption price of and interest on Purchased Bonds will be by wire transfer in immediately available funds as provided in the Liquidity Facility.

(d) For Commercial Paper Bonds, the Trustee, the Paying Agent and the Registrar may rely on information provided to it by the Remarketing Agent as to the Owner, principal amount, current interest rate and next scheduled Purchase Date of such Bonds.

(e) The Purchase Agreement by and between the County and the Underwriter, as submitted to this meeting and made a part of this Resolution, as though set forth in full herein, be and the same hereby is approved, and the 2008 Series B Bonds shall be sold by the County and purchased by the Underwriter at such prices and on the terms and conditions set forth in the Purchase Agreement, and the Mayor and the Chairman are hereby authorized and directed to execute, and the Clerk or, any Deputy Clerk of the Board to attest, the Purchase Agreement and to deliver the same to the Underwriter substantially in the form presented to this meeting, but with such changes, insertions and omissions as shall be approved by the Mayor and the Chairman (such approval to be conclusively evidenced by the execution and delivery thereof), and the Clerk, or any Deputy Clerk of the Board is hereby authorized and directed to affix and attest the seal of the Board thereto.

(f) The Official Statement relating to the 2008 Series B Bonds in substantially the form submitted at this meeting and filed with the minutes hereof, together with such changes, modifications and deletions as the Director of Administration and Finance (upon advice of the County Attorney, Bond Counsel and the Financial Advisors) shall deem necessary and appropriate, is hereby approved. The use and distribution thereof in connection with the sale of the 2008 Series B Bonds is hereby approved and authorized. The County Mayor and the Chairman are hereby further authorized to execute and deliver on behalf of the County, the Official Statement for the sale of the 2008 Series B Bonds in substantially the form submitted at this meeting, with such changes, modifications and deletions as the officer of the County executing the same upon advice of the County Attorney and Bond Counsel may deem necessary and appropriate, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the County.

204. Interest Rate and Interest Payment Provisions.

(a) General. The Bonds will initially bear interest at the Initial Interest rate and thereafter at the Weekly Rate. Each Bond will evidence the right to receive interest, at a Variable Rate or a Medium Term Rate, determined from time to time, or at a Fixed Rate, from and including the date of such Bond until payment of the principal or redemption price thereof has been made or provided for in accordance with the provisions hereof, whether at maturity, on redemption or otherwise. Interest for each Interest Period will be paid on the next succeeding Interest Payment Date and, while the Bonds pay interest at a Variable Rate, will be computed on the basis of a year of 365 or 366 days, as appropriate, for the actual number of days elapsed, while the Bonds pay interest at the Medium Term Rate or the Fixed Rate, computed on the basis of a year of 360 days and twelve 30-day months, provided that while any Bonds pay interest at the Credit Provider Rate, interest on such Bonds will be payable on the dates and in the amounts

calculated by the Credit Provider on the basis provided in the Credit Facility as provided to the Trustee in writing, and, provided, further, that while Bonds bear interest at the Purchased Bonds Rate, interest on such Bonds will be payable on the dates and in the amounts provided in the Liquidity Facility as calculated by the Liquidity Provider on the basis provided in the Liquidity Facility as provided to the Trustee in writing. Interest attributable to any Bond may not accrue at a rate greater than the Maximum Rate. The Trustee will calculate the amount of interest to be paid on each Interest Payment Date and will confirm the amount in writing with the Paying Agent.

(b) Certain Interest Rates. Interest rates will be determined as follows for Commercial Paper Bonds, Daily Rate Bonds, Weekly Rate Bonds, Monthly Rate Bonds, Medium Term Rate Bond and Fixed Rate Bonds.

(i)(A) For each Commercial Paper Bond, the interest rate will be that annualized rate established by the Remarketing Agent on or before 12:30 p.m., New York City time, on the first day of the related Commercial Paper Period which, from among various interest rates established from time to time by the Remarketing Agent, is the interest rate necessary, in the best professional judgment of the Remarketing Agent, taking into account prevailing market conditions, to enable such Commercial Paper Bond to be sold in a secondary market transaction on the first day of such Commercial Paper Period at a price equal to par plus accrued interest, if any.

(B) For each Commercial Paper Bond, each Purchase Date and the related Commercial Paper Period will be established by the Remarketing Agent on or prior to the first day of each Commercial Paper Period for such Bond as being the Purchase Date and Commercial Paper Period permitted hereunder which, in the best professional judgment of the Remarketing Agent, taking into account prevailing market conditions, will ultimately produce the lowest overall net interest cost to the County for the Bonds until their maturity; provided that Commercial Paper Period must be from 1 to 270 days in length and may not extend beyond a Conversion Date or any date set for redemption, and the first day next succeeding each Commercial Paper Period must be a Business Day.

(C) Notwithstanding subparagraph (B) above, (1) if a Credit Facility or Liquidity Facility is in effect and if no Alternate Credit Facility or Alternate Liquidity Facility has been delivered under Section 215, then no new Commercial Paper Period will be established for any Bond unless the Interest Payment Date for such Commercial Paper Period occurs before the Credit Expiration Date and the aggregate principal amount of the Commercial Paper Bonds Outstanding may not exceed the principal portion of the Coverage Amount, and (2) if the County has previously determined to convert the interest rate mode for the Bonds from the Commercial Paper Rate, no new Commercial Paper Period for any such Bond to be converted will be established unless the last day of such Commercial Paper Period occurs before the Conversion Date.

(ii) For Daily Rate Bonds, the interest rate for any Daily Rate Period will be the rate established by the Remarketing Agent by 11:00 a.m. New York City time on each

Business Day which is equal to the minimum rate of interest necessary, in the best professional judgment of the Remarketing Agent taking into account prevailing market conditions, to enable the Remarketing Agent to remarket all of the Bonds in the secondary market on the date such rate is set at a price equal to the principal amount thereof, plus accrued interest, if any. The Daily Rate shall be effective on the day of its determination to, but not including, (a) the date of determination of a new Daily Rate or (b) the next Conversion Date. The Remarketing Agent shall determine a preliminary Daily Rate for each Business Day by no later than 10:00 a.m. New York City time on such day. The preliminary Daily Rate shall be the minimum interest rate for such day. If a day is not a Business Day, then the Daily Rate shall be the Daily Rate determined for the immediately preceding Business Day.

(iii) For Weekly Rate Bonds, the interest rate for any Weekly Rate Period will be the rate established by the Remarketing Agent on the first day of such Weekly Rate Period which is the minimum rate of interest necessary, in the best professional judgment of the Remarketing Agent taking into account prevailing market conditions, to enable the Remarketing Agent to remarket all of the Bonds in the secondary market on the date such rate is set at a price equal to the principal amount thereof, plus accrued interest, if any.

(iv) For Fixed Rate Bonds, the interest rate will be an annual rate established by the Remarketing Agent on or before the Fixed Rate Conversion Date which is the minimum fixed interest rate necessary, in the best professional judgment of the Remarketing Agent, taking into account prevailing market conditions, to enable the Remarketing Agent to sell all of the Bonds in the secondary market at a price equal to the principal amount thereof, plus a premium, not to exceed 3% of the principal amount thereof, to reimburse the Remarketing Agent for its fees, costs and expenses, if the County delivers to the Trustee an opinion of Bond Counsel to the effect that pricing to obtain such a premium will not adversely affect the exclusion of interest on any of the Bonds from gross income for federal income purposes.

(v) For Monthly Rate Bonds, the interest rate for any Monthly Rate Period will be the rate established by the Remarketing Agent on the first Business Day of such Monthly Rate Period, which is the minimum rate of interest necessary, in the best professional judgment of the Remarketing Agent taking into account prevailing market conditions, to enable the Remarketing Agent to remarket all of the Bonds in the secondary market on the date such rate is set at a price equal to the principal amount thereof, plus accrued interest, if any.

(vi) For Medium Term Rate Bonds, the interest rate for any Medium Term Rate Period will be the rate established by the Remarketing Agent on the first Business Day of such Medium Term Rate Period, which is the minimum rate of interest necessary, in the best professional judgment of the Remarketing Agent taking into account prevailing market conditions, to enable the Remarketing Agent to remarket all of the Bonds in the secondary market on the date such rate is set at a price equal to the principal amount thereof, plus accrued interest, if any, plus a premium, not to exceed 3% of the principal amount thereof, to reimburse the Remarketing Agent for its fees, costs and expenses, if the County delivers to the Trustee an opinion of Bond Counsel to the effect that pricing to obtain such a premium will not adversely affect the exclusion of interest on any of the Bonds from gross income for federal income

purposes. For each Medium Term Rate Bond, each Purchase Date and the related Medium Term Rate Period will be established by the Remarketing Agent on or before the first day of each Medium Term Rate Period for such Bond as being the Purchase Date and Medium Term Rate Period permitted hereunder which, in the best professional judgment of the Remarketing Agent, taking into account prevailing market conditions, will enable the Remarketing Agent to remarket all of the Bonds in the secondary market on the date such rate is set; provided that Medium Term Rate Period may not extend beyond a Conversion Date.

(vii) Credit Provider Bonds will bear interest at the Credit Provider Rate. The Credit Provider will calculate the Credit Provider Rate in accordance with the Credit Facility and notify the Trustee and the Paying Agent of the Credit Provider Rate. Purchased Bonds will bear interest at the Purchased Bonds Rate. The Liquidity Provider will calculate the Purchased Bonds Rate in accordance with the Liquidity Facility and notify the Trustee and the Paying Agent of the Purchased Bonds Rate.

Any provision of this Resolution notwithstanding, the Bonds, at any given time, may operate in one or more interest rate periods; provided that any single Bond may be in only one period at a time. References to Commercial Paper Bonds, Daily Rate Bonds, Weekly Rate Bonds, Monthly Rate Bonds, Medium Term Rate Bonds or Fixed Rate Bonds shall be deemed to refer to those particular Bonds operating in the applicable interest rate period. For purposes of this Resolution, the Purchased Bonds Rate shall not apply when Variable Rate Bonds cease to be Purchased Bonds.

(c) **Notification of Interest Rate.** The Remarketing Agent will promptly advise in writing to the Trustee, the Paying Agent and the County of all interest rates determined by it under Section 204(b)(i)(A), (ii), (iii), (iv), (v) and (vi) and, for Medium Term Rate Bonds and Commercial Paper Bonds, all Interest Periods, principal amounts, Owners and Purchase Dates. Any determination of an interest rate and, in the case of Commercial Paper Bonds, determination of each Purchase Date, the next Rate Adjustment Date and the related Commercial Paper Period is conclusive and binding on the County, the Trustee, the Paying Agent, the Remarketing Agent, the Credit Provider, the Liquidity Purchaser and the Owners.

205. Failure to Compute Interest Rates; Ineffective Interest Rates. If the Remarketing Agent no longer determines, or fails to determine, when required, an interest rate pursuant to Section 204(b)(i)(A), (ii), (iii), (iv), (v) or (vi), or if for any reason such manner of determination is held to be invalid or unenforceable by a court of law, the interest rates for the next Interest Period will be determined by the Trustee as follows:

(a) For Commercial Paper Bonds, if the Remarketing Agent does not determine an interest rate pursuant to Section 204(b)(i)(A) for one or more Commercial Paper Periods, the interest rate will be that interest rate borne by such Bonds during the preceding Commercial Paper Period.

(b) For Daily Rate Bonds, if the Remarketing Agent does not determine an interest rate pursuant to Section 204(b)(ii) for one or more Daily Rate Periods, the interest rate will be that interest rate borne by such Bonds during the preceding Daily Rate Period.

(c) For Weekly Rate Bonds, if the Remarketing Agent does not determine an interest rate pursuant to Section 204(b)(iii) for one or more Weekly Rate Periods, the interest rate will be that interest rate borne by such Bonds during the preceding Weekly Rate Period.

(d) If the Remarketing Agent no longer establishes or fails to establish when required, a Commercial Paper Period for a Commercial Paper Bond pursuant to Section 204(b)(i)(B), such Commercial Paper Period and all succeeding Commercial Paper Periods for such Bond will be that Commercial Paper Period which results in each succeeding Purchase Date for such Bond being the next Business Day until such time as the Remarketing Agent again establishes a Commercial Paper Period for such Bond.

(e) For Monthly Rate Bonds, if the Remarketing Agent does not determine an interest rate pursuant to Section 204(b)(v) for one or more Monthly Rate Periods, the interest rate will be that interest rate borne by such Bonds during the preceding Monthly Rate Period.

(f) For Medium Term Rate Bonds, if the Remarketing Agent does not determine an interest rate or Medium Rate Term Period, pursuant to Section 204(b)(vi) for one or more subsequent Medium Term Rate Periods, the interest rate and the duration of such Medium Term Rate Period will be that interest rate borne by such Bonds during the preceding Medium Term Rate Period.

206. Conversion of Interest Rate.

(a) The interest rate on the Bonds is subject to Conversion to another interest rate mode, except from a Fixed Rate to another interest rate mode, in whole and not in part, at the option of the County, by mailing a notice thereof to the Trustee, the Credit Provider, Liquidity Provider, the Paying Agent and the Remarketing Agent at least 30 days before the Conversion Date and, if the Conversion is from the Commercial Paper Rate to another mode, subject to the limitations set forth at the end of this subsection (a), accompanied by a preliminary opinion of Bond Counsel stating that such Conversion is authorized and in accordance with this Resolution and will not adversely affect the exclusion of the interest on any of the Bonds from the gross income of the recipient thereof for federal income tax purposes. On the Conversion Date, as a necessary condition to such Conversion, the County must deliver to the Trustee an opinion of Bond Counsel dated the Conversion Date confirming the preliminary opinion as of such Conversion Date. A Conversion may occur only (1) when the Conversion Date is a date on which the Bonds are subject to optional redemption under Section 302(a) or (b), (2) if the Conversion Date would otherwise be an Interest Payment Date or if not, then it is a Business Day, (3) except for conversion to a Fixed Rate, if the Credit Facility or Liquidity Facility, as applicable, is in the applicable Coverage Amount and (4) for a Conversion to the Commercial Paper Rate or the Medium Term Rate, if the Trustee has received written confirmation from each Rating Agency that the ratings then in effect on the Bonds will not be reduced or withdrawn as a

result of such Conversion. If the Bonds are Commercial Paper Bonds to be converted to another mode, the Conversion may not occur during a Commercial Paper Period for any Bond, but only on a day immediately following the end of the longest Commercial Paper Period in effect when the notice of Conversion is given and for purposes of Conversion, the Remarketing Agent shall determine the duration of the Commercial Paper Periods ending before the Conversion Date.

(b) If the conditions to a Conversion referred to in subsection (a) of this Section are not satisfied on the Conversion Date, the proposed Conversion will not take place and interest on the Bonds will remain in the same interest rate mode.

(c)(i) The Trustee will give notice by Mail to the Owners not less than 25 days before the Conversion Date. Such notice will state (A) that such Bonds are being converted, as set forth in the notice from the County; (B) the Conversion Date; (C) the date and intended method by which the interest rate will be determined and the procedure, which may include the furnishing of a telephone number which Owners can call, for informing such Owners whether the conditions for Conversion have been met and, if so, the applicable interest rate, and if not, that a Conversion to such interest rate mode will not be effective; (D) the intended Interest Payment Dates and the Purchase Dates, if any, after the Conversion Date; (E) that, for a Conversion to Fixed Rate Bonds, the Bonds will no longer be subject to purchase on demand by the Owner thereof; (F) if applicable, that the Credit Facility will no longer be in effect after the Conversion Date; (G) that every Bond (with an appropriate transfer of registration executed in blank in form satisfactory to the Trustee) must be delivered to the Trustee (at its designated office) not later than the Conversion Date or the next Business Day if the Conversion Date is not a Business Day and, in the absence of such delivery, will be deemed to have been delivered and purchased; (H) the ratings to be in effect on the Conversion Date; (I) the Purchase Price; (J) that no interest will accrue to the benefit of such Owners after the Purchase Date; (K) that every Outstanding Bond will be purchased by the Trustee on the Purchase Date; and (L) that the Owners will not have the right to retain any Bonds after such Conversion Date.

(ii) A copy of the notice of Conversion given to Owners by the Trustee will be given by Mail to the County and each Rating Agency then rating the Bonds.

207. Optional Demand Purchase; Mandatory Purchase.

(a) Optional Demand Purchase for Daily Rate Bonds, Weekly Rate Bonds, Monthly Rate Bonds and Medium Term Rate Bonds.

(i) Any Daily Rate Bond will be purchased, on the demand of the Owner thereof, on any Business Day designated by the Owner thereof (a "Purchase Date"). Any such purchase will be at the Purchase Price. To effect such purchase, the notice must be in writing and be delivered to the Trustee (at its designated office) not later than 10:00 a.m., New York City Time, on the Purchase Date and shall (A) state the number and principal amount (or portion thereof in an Authorized Denomination) of such Daily Rate Bond to be purchased, (B) state the Purchase Date on which such Daily Rate Bond will be purchased pursuant to this subsection, and (C) irrevocably request such purchase.

(ii) Any Weekly Rate Bond will be purchased, on the demand of the Owner thereof, on any Business Day designated by the Owner thereof (a "Purchase Date") which is not less than seven days after the date notice of such demand is delivered in writing to the Trustee. Any such purchase will be at the Purchase Price. To effect such purchase, the notice must be in writing and be delivered to the Trustee (at its designated office) not later than the seventh day before the Purchase Date and shall (A) state the number and principal amount (or portion thereof in an Authorized Denomination) of such Weekly Rate Bond to be purchased, (B) state the Purchase Date on which such Weekly Rate Bond will be purchased pursuant to this subsection, and (C) irrevocably request such purchase.

(iii) Any Monthly Rate Bond will be purchased, on the demand of the Owner thereof, on any Business Day designated by the Owner thereof (a "Purchase Date") which is not less than seven days after the date of such demand is delivered in writing to the Trustee. Any such purchase will be at the Purchase Price. To effect such purchase, the notice must be in writing and be delivered to the Trustee (at its designated office) not later than the seventh day before the Purchase Date and shall (A) state the number and principal amount (or portion thereof in an Authorized Denomination) of such Monthly Rate Bond to be purchased, (B) state the Purchase Date on which such Monthly Rate Bond will be purchased pursuant to this subsection, and (C) irrevocably request such purchase.

(iv) Any Medium Term Rate Bond will be purchased, on the demand of the Owner thereof, on the last Interest Payment Date in the Medium Term Rate Period therefor (a "Purchase Date") which demand shall not be less than 14 days prior to such Purchase Date. Any such purchase will be at the Purchase Price. To effect such purchase, the notice must be in writing and be delivered to the Trustee (at its designated office) not later than the 14th day before the Purchase Date and shall (A) state the number and principal amount (or portion thereof in an Authorized Denomination) of such Medium Term Rate Bond to be purchased, (B) state the Purchase Date on which such Medium Term Rate Bond will be purchased pursuant to this subsection, and (C) irrevocably request such purchase. The Remarketing Agent will give notice by Mail to Owners not more than 45 days nor less than 35 days before a Purchase Date for Medium Term Rate Bonds, which notice shall state (A) what the next Purchase Date is, (B) where and when the proposed rate after the next Purchase Date may be obtained and (C) that the Medium Term Rate Bonds are subject to tender of the Owner thereof as set forth in the preceding sentence.

(v) The Trustee will promptly provide the Remarketing Agent and the Paying Agent with telephonic notice of the receipt of the notice referred to in the preceding paragraphs, confirmed in writing or by facsimile.

(vi) Any Daily Rate Bond, Weekly Rate Bond, Monthly Rate Bond or Medium Term Rate Bond with regard to which demand is made as set forth in this subsection will be deemed to have been tendered for purchase on any Purchase Date with respect thereto. Delivery of such Daily Rate Bond, Weekly Rate Bond, Monthly Rate Bond or Medium Term Rate Bond (with an appropriate transfer of registration executed in blank in form satisfactory to

Trustee) at the designated office of Trustee at or prior to 10:00 a.m. (New York City Time) on the Purchase Date will be required for payment in same-day funds of the Purchase Price due on such Purchase Date. No Owner will be entitled to payment of the Purchase Price due on such Purchase Date except on surrender of such Daily Rate Bonds, Weekly Rate Bonds, Monthly Rate Bonds or Medium Term Rate Bonds as set forth herein.

(b) **Mandatory Purchase of Commercial Paper Bonds.** Each Commercial Paper Bond will be purchased, or deemed purchased, on the Rate Adjustment Date following the then current Commercial Paper Period relating to such Commercial Paper Bond (a "Purchase Date") at the Purchase Price.

All Commercial Paper Bonds will be deemed to have been tendered for purchase on each Rate Adjustment Date with respect thereto. Delivery of such Commercial Paper Bond (with an appropriate transfer of registration executed in blank in form satisfactory to the Trustee) at the designated office of the Trustee at or prior to 10:00 a.m., New York City Time, on the Rate Adjustment Date will be required for payment in same-day funds of the Purchase Price due on such Rate Adjustment Date. No Owner will be entitled to payment of the Purchase Price due on such Rate Adjustment Date except on surrender of such Commercial Paper Bonds as set forth herein. If, however, an Owner of Commercial Paper Bonds purchases such Bonds for successive Commercial Paper Periods, the Owner, on presentation of the Bonds as described herein, will receive interest and a new Commercial Paper Bond or Bonds for the next Commercial Paper Period with no exchange of cash in payment of the principal thereof except to the extent the principal amount purchased differs from the amount surrendered.

(c) **Mandatory Purchase on Conversion Dates.** On any Conversion Date with respect to any Bonds, whether or not a Conversion occurs (or in each case the next Business Day, if not a Business Day) (a "Purchase Date"), such Bonds must be delivered to the Trustee for purchase (with all necessary endorsements) at the Purchase Price.

All Bonds will be deemed to have been tendered for purchase on any Purchase Date with respect thereto. Delivery of such Bonds (with an appropriate transfer of registration executed in blank and in form satisfactory to the Trustee) at the designated office of the Trustee at or before 10:00 a.m., New York City Time, on the Purchase Date will be required for payment in same-day funds of the Purchase Price due on such Purchase Date. No Owner will be entitled to payment of the Purchase Price due on such Purchase Date except upon surrender of such Bonds as set forth herein.

(d) **Mandatory Purchase on Credit Expiration Date.** The Bonds will be subject to mandatory tender to the Trustee for purchase at the Purchase Price no later than the fifth day prior to the Credit Expiration Date if the Trustee has not received evidence satisfactory to it by the 25th day preceding the Credit Expiration Date of either an extension of the then existing Credit Facility or the issuance of an Alternate Credit Facility meeting the requirements of this Resolution. The Trustee will give notice 20 days prior to the expiration of the Credit Facility to all Owners that the Bonds will be subject to mandatory tender to the Trustee for purchase at the Purchase Price on the date set forth in said notice. After such notice is given, the Bonds will

thereafter be subject to mandatory tender for purchase at the Purchase Price on the date set forth in the notice (a "Purchase Date").

All Bonds will be deemed to have been tendered for purchase on any Purchase Date with respect thereto. Delivery of such Bonds (with an appropriate transfer of registration executed in blank in form satisfactory to the Trustee) at the designated office of the Trustee at or prior to 10:00 a.m., New York City time, on the Purchase Date will be required for payment in same-day funds of the Purchase Price due on such Purchase Date. No Owner will be entitled to payment of the Purchase Price due on such Purchase Date except upon surrender of such Bonds as set forth herein. Purchase of all Bonds by the Trustee purchased under this Section 207(d) will be effected only with funds described in Sections 208(b) and (c).

For purposes of the mandatory purchase contemplated by this Section 207(d) "Credit Expiration Date" will be deemed to include the effective date of any additional Credit Facility or Liquidity Facility obtained by the County in connection with the Bonds. Additionally, for purposes of the mandatory purchase of this Section 207(d) "Credit Expiration Date" will be deemed to include the date which is 5 Business Days prior to the effective date of an Alternate Liquidity Facility for which the County has not received written evidence from the Rating Agencies then rating the 2008 Series B Bonds that the then existing ratings on the 2008 Series B Bonds will not change as a result of such substitution; provided, however, the Trustee shall provide written notice to the 2008 Series B Bondholders as soon as practicable of such substitution regardless of whether or not the then existing ratings on the 2008 Series B Bonds will change as a result of such substitution.

(e) Mandatory Purchase on Notice of Event of Default under the Credit Facility or Liquidity Facility. If a Credit Facility or Liquidity Facility is in effect and the Trustee receives written notice from the Credit Provider that an event of default under the Credit Facility has occurred and is continuing or from the Liquidity Purchaser that an event of default under the Liquidity Facility has occurred and is continuing, and in either case, and directing the Trustee to call the Bonds for mandatory tender under this Section 207(e), then the Trustee shall set the mandatory tender date to occur no later than the fifth calendar day following the date the Trustee receives such notice of an event of default under the Credit Facility or Liquidity Facility and the Trustee shall send notice to all Owners of the Bonds that the Bonds will be subject to mandatory tender to the Trustee for purchase at the Purchase Price on the date set forth in said notice. After such notice is given, the Bonds will be subject to mandatory tender for purchase at the Purchase Price on the date set forth in the Notice (a "Purchase Date").

All Bonds will be deemed to have been tendered for purchase on any Purchase Date with respect thereto. Delivery of such Bonds (with an appropriate transfer of registration executed in blank in form satisfactory to the Trustee) at the designated office of the Trustee at or prior to 10:00 a.m., New York City time, on the Purchase Date will be required for payment in same-day funds of the Purchase Price due on such Purchase Date. No Owner will be entitled to payment of the Purchase Price due on such Purchase Date except upon surrender of such Bonds as set forth herein. Purchase of all Bonds by the Trustee purchased under this Section 207(e) will be effected only with funds described in Sections 208(b) and (c).

208. Source of Funds for Purchase of Bonds. Except as provided in Section 207(d) and (e), on the date on which Bonds are delivered or deemed delivered for purchase pursuant to Section 207, the Paying Agent will purchase such Bonds from the Owners thereof at the Purchase Price. Funds for the payment of such Purchase Price will be derived solely from the following sources in the order of priority indicated and neither the County, the Paying Agent, the Trustee nor the Remarketing Agent will be obligated to provide funds from any other source:

- (a) Remarketing Proceeds;
- (b) proceeds derived from a drawing under the Credit Facility, if the Credit Facility provides for such a drawing, or proceeds derived from a drawing under the Liquidity Facility;
- (c) Other Available Moneys held by the Paying Agent or the Trustee and available for such purpose; and
- (d) to the extent that the foregoing are insufficient, moneys provided by the County.

If funds from the source described in subsection (a) above are not sufficient to provide for the Purchase Price of all Bonds delivered or deemed delivered pursuant to Section 207, the Trustee will, no later than 10:30 a.m. New York City time on each Purchase Date, draw on the Credit Facility in accordance with the terms thereof to purchase the Bonds delivered or deemed delivered for purchase.

209. Delivery of Bonds; Delivery of Proceeds of Sale; Payments From Credit Facility.

- (a) Bonds purchased with funds described in Section 208(a) will be registered in the name of and delivered to the purchasers thereof.
- (b) Bonds purchased with funds described in Section 208(c) or (d) will be registered in the name of the County and delivered as directed by the County, as appropriate.
- (c) Bonds purchased with funds described in Section 208(b) which were derived from a drawing under the Credit Facility will be registered and delivered to or at the direction of the Credit Provider and will constitute Credit Provider Bonds.
- (d) Bonds purchased with the funds described in Section 208(b) which were derived from a drawing under the Liquidity Facility will be registered and delivered to or at the direction of the Liquidity Provider and will constitute Purchased Bonds.

210. Bonds Deemed Tendered for Purchase. If Bonds have been deemed to have been delivered for purchase as provided in Section 207, the Authenticating Agent will

authenticate (and the Issuer execute, if necessary) a new Bond. The Trustee will promptly give notice by Mail to each Owner whose Bonds are deemed to have been purchased pursuant to Section 207, which notice will state that interest on such Bonds ceased to accrue on the applicable Purchase Date and that moneys representing the Purchase Price of such Bonds are available against delivery thereof at the designated office of the Paying Agent. The Paying Agent will hold moneys for the purchase of Bonds in trust and uninvested, without liability for interest thereon, for the benefit of the former Owner of the Bond on such Purchase Date, who will thereafter be restricted exclusively to such moneys, for any claim of whatever nature on his part under this Resolution or on, or with respect to, such Bond.

211. Remarketing of Bonds.

(a) Subject to the provisions of Section 211(e), the Remarketing Agent will use its best efforts to remarket Bonds to be purchased on a Purchase Date pursuant to Section 207; provided, however, that with respect to any Bonds which have been called for redemption, such Bonds must be accompanied by a copy of the notice of redemption and will only be remarketed to a purchaser who acknowledges that such Bonds have been called for redemption and will be redeemed on the date stated in the notice. All such sales will be at a price equal to the principal amount thereof plus accrued interest thereon, if any, except for a sale on a Fixed Rate Conversion Date in which a premium may apply as described in Section 204(b)(iv) or a sale of Medium Term Rate Bonds in which a premium may apply as described in Section 204(b)(vi).

(b) On each Purchase Date, the Remarketing Agent will give notice to the Trustee, the Paying Agent, the Liquidity Purchaser and the Credit Provider (i) by telephone at or before 10:15 a.m., New York City time, for Weekly Rate Bonds, Monthly Rate Bonds and Medium Term Rate Bonds, followed by telecopy or telex, of the aggregate amount of Bonds to be purchased pursuant to Section 207 that have not been successfully remarketed by the Remarketing Agent, (ii) by telephone at or before 10:15 a.m., New York City time, for Commercial Paper Bonds and Daily Rate Bonds, of the Owner, principal amount, the current rate and next scheduled Purchase Date of each Commercial Paper Bond successfully remarketed and (iii) by telephone at or before 10:15 a.m., New York City time, for Medium Term Rate Bonds, of the Owner, principal amount, the current rate and next scheduled Purchase Date of the Medium Term Rate Bonds. The Trustee will then draw on the Credit Facility under Section 208 to pay the purchase price of the unremarketed Bonds.

(c) At or before 1:30 p.m., New York City time, on each Purchase Date, the Remarketing Agent will remit to the Tender Agent the Remarketing Proceeds of Bonds that have been remarketed, and such amounts will be immediately deposited in the Remarketing Proceeds Account.

(d) If the Paying Agent does not receive notice from the Remarketing Agent by 10:15 a.m., New York City time, on the applicable Purchase Date, of the aggregate amount of Bonds to be purchased pursuant to Section 207 that have not been successfully remarketed by the Remarketing Agent, the Paying Agent shall immediately notify the Trustee and the Trustee shall

draw on the Credit Facility for the full Purchase Price the Bonds tendered for purchase on such Purchase Date.

(e) Notwithstanding anything to the contrary herein provided, the Bonds may not be remarketed unless (1) a Credit Facility providing for the payment of the principal of and interest on, and Purchase Price of, the Bonds in the applicable Coverage Amount will be in effect following the remarketing of such Bonds or (2) the Bonds will bear interest at the Fixed Rate or Medium Term Rate and will be rated Investment Grade by any Rating Agency rating the Bonds immediately following such remarketing.

212. Limits of Remarketing. Bonds purchased by the Paying Agent pursuant to Section 207 from the date of notice of a conversion is given through the Conversion Date will not be remarketed except to a buyer who acknowledges at the time of such purchase that the Bond is subject to repurchase pursuant to Section 207 on the Conversion Date. The interest rate on any Commercial Paper Bond not remarketed pending Conversion will be determined to have successive Commercial Paper Periods, each one day in duration, until Conversion. The Remarketing Agent will not remarket Credit Provider Bonds or Purchased Bonds, as the case may be, unless the Trustee has received written notice of reinstatement of the Credit Facility or the Liquidity Facility, as the case may be, to the Coverage Amount. The foregoing notwithstanding, it shall not be necessary for the Trustee to receive written notice of reinstatement of the Credit Facility or the Liquidity Facility, as the case may be, to the Coverage Amount if the Credit Facility or the Liquidity Facility, as the case may be, by its terms automatically reinstates to the Coverage Amount without written notice.

213. Credit Provider Bonds. Bonds purchased with proceeds of a drawing on the Credit Facility shall be deemed purchased by the County for the benefit of the Credit Provider, shall constitute "Credit Provider Bonds," and shall be held by the Trustee as fiduciary for the Credit Provider (and shall be shown as Credit Provider Bonds on the bond register or, if the Bonds are held in the book-entry system, such Credit Provider Bonds shall be recorded in the books of the securities depository for the account of the Trustee, as custodian for the Credit Provider) in accordance with the provisions of this Resolution and the Reimbursement Agreement. The Remarketing Agent shall continue to use its best efforts to arrange for the sale of any Credit Provider Bonds, subject to full reinstatement of the amount available to be drawn under the Credit Facility with respect to such Bonds.

The Credit Provider's security interest in Credit Provider Bonds shall be released only after the Trustee has received notice from the Credit Provider that the Credit Facility has been reinstated by the amount of the funds drawn to purchase Credit Provider Bonds (A) as a result of reimbursement by the County to the Credit Provider or (B) (i) while the book-entry system is in effect, because Credit Provider Bonds have been remarketed and the proceeds of such remarketing have been received by the securities depository for the account of the Trustee (for the benefit of the Credit Provider) or (ii) if the book-entry system is not in effect, because Credit Provider Bonds have been remarketed and the proceeds of such remarketing have been received by the Trustee (for the benefit of the Credit Provider). The Trustee shall promptly give the Credit Provider notice that the proceeds referred to in clause (B) above have been credited to its

account (for the benefit of the Credit Provider) by the securities depository in the case of clause (B)(i) or have been received by it in the case of clause (B)(ii), and in each case will be sent to the Credit Provider by wire transfer upon receipt of and in accordance with the Credit Provider's written wire instructions. (i) If Credit Provider Bonds have been released pursuant to clause (B) above, while the book-entry system is in effect, the Trustee shall instruct the securities depository to transfer such Bonds on its records to the account of the Remarketing Agent or its Participant and (ii) if the book-entry system is not in effect, the Trustee shall register such Bonds in accordance with the instructions of the Remarketing Agent. If Credit Provider Bonds have been released pursuant to clause (A) above, (i) while the book-entry system is in effect, the Trustee shall instruct the securities depository to transfer any such Bonds to the account of a Participant designated by the County, or (ii) if the book-entry system is not in effect, the Trustee shall register such Bonds to the County or its designee.

If the Remarketing Agent remarkets any Credit Provider Bond, the Remarketing Agent shall direct the purchaser of such Credit Provider Bond to transfer, by 9:30 a.m., New York City time, on the purchase date, the purchase price of such remarketed Credit Provider Bond to the Trustee for deposit into Bank Bond Purchase account, to be disbursed from such account solely for the purposes described in this paragraph. The Trustee shall immediately notify the Credit Provider of the receipt of the purchase price for such Credit Provider Bond, and upon receipt by the Credit Provider in immediately available funds of all amounts due under the Credit Facility as reimbursement for the full amount therefore drawn under the Credit Facility to purchase such Credit Provider Bonds, and of written evidence to the Trustee as provided in the Credit Facility of full reinstatement of such amount drawn under the Credit Facility, such Credit Provider Bond shall be considered released from the pledge to the Credit Provider (absent written notice from the Credit Provider to the Trustee to the contrary). The Trustee shall transfer such purchase price to the Credit Provider upon receipt thereof in exchange for reinstatement of the amount available to be drawn under the Credit Facility (as contemplated above), and give all required notices, in accordance with the terms of the Credit Facility. If moneys remain on deposit with the Trustee in such subaccount after payment is made to the Credit Provider as described in the preceding sentence, such moneys shall be paid to, or upon the order of, the County.

Notwithstanding anything to the contrary in this subsection, if and for so long as the Bonds are held in book-entry form, the registration requirements for Credit Provider Bonds under this subsection shall be deemed satisfied if Credit Provider Bonds are (A) registered in the name of the securities depository or its nominee, (B) credited on the books of the securities depository to the account of (i) the Credit Provider (or its designee) or (ii) the Trustee (or its nominee) and further credited on the books of the Trustee (or such nominee) to the account of the Credit Provider (or its designee).

214. Liquidity Facility.

(a) The Trustee shall take such actions as may be necessary to obtain funds under the Liquidity Facility to pay the Purchase Price of the Variable Rate Bonds then subject to purchase under the Liquidity Facility tendered for purchase or required to be purchased pursuant to the provisions of this Resolution at the times, on the dates, to the extent, and in the manner,

provided by Section 207 and deliver the proceeds of such drawing to the Tender Agent for deposit in the Bank Bond Purchase Account pending application of such moneys to the payment of the purchase price of such Variable Rate Bonds.

(b) If at any time all of the Variable Rate Bonds then subject to purchase under the Liquidity Facility shall have been paid or converted to a Fixed Interest Rate Period, the Trustee shall surrender the Liquidity Facility to the Liquidity Purchaser in accordance with the terms of such Liquidity Facility, for cancellation. The Trustee shall comply with the procedures, if any, set forth in the Liquidity Facility relating to the termination thereof and is authorized to deliver certificates reducing the stated amount of the Liquidity Facility in accordance with the provisions thereof, if any.

215. Alternate Liquidity Facility. Notwithstanding any provisions in the Resolution regarding Alternate Credit or Liquidity Facilities to the contrary the following provisions shall govern Alternate Liquidity Facilities for the purposes of this Resolution:

(a) At least sixty (60) days prior to the expiration or termination of any Liquidity Facility, the County shall provide for the delivery to the Trustee of a written commitment of delivery of an Alternate Liquidity Facility or renewal of the then existing Liquidity Facility. Any such Alternate Liquidity Facility may be for a term of years which is more or less than the Liquidity Facility which is being replaced (but in no event less than 360 days unless otherwise agreed to in writing by the County) and shall contain administrative provisions reasonably acceptable to the Trustee, the Tender Agent and the Remarketing Agent. On or prior to the date of the delivery of such Alternate Liquidity Facility to the Trustee, the County shall furnish to the Trustee (i) a Favorable Opinion of Bond Counsel and (ii) such additional opinions as the Trustee may reasonably request. Upon receipt of such documents and the documents set forth in paragraph (c) of this Section 215, the Trustee shall accept such Alternate Liquidity Facility and promptly surrender the Liquidity Facility then in effect to the Liquidity Purchaser which issued such Liquidity Facility in accordance with its terms for cancellation or deliver any document necessary to reduce the coverage of such Liquidity Facility. In the case of a renewal of the existing Liquidity Facility, notice must be delivered at least sixty (60) days prior to the Expiration Date.

(b) The Trustee or Tender Agent, as appropriate, shall comply with any procedures set forth in any outstanding Liquidity Facility relating to the termination thereof. In addition, upon conversion of the Variable Rate Bonds to the Fixed Interest Rate in accordance with Section 206, the Trustee shall comply with the procedures, if any, set forth in the outstanding Liquidity Facility relating to the termination thereof.

(c) Notwithstanding anything contained herein to the contrary, no Alternate Liquidity Facility shall be accepted by the Trustee hereunder unless such Alternate Liquidity Facility is accompanied by (A) opinions of counsel reasonably satisfactory to the County to the effect that (1) the Liquidity Purchaser is duly organized and existing, under the laws of the jurisdiction of its organization, and, if applicable, is duly qualified to do business or is otherwise licensed to conduct business in the United States of America; (2) the Alternate Liquidity Facility is a legal, valid and binding obligation of the Liquidity Purchaser, enforceable in accordance with its

terms, except as limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to, or affecting generally the enforcement of, creditors' rights and remedies, and by the availability of equitable remedies, including specific performance and injunctive relief; and (3) the Alternate Liquidity Facility is an exempt security or is exempt from registration under the Securities Act of 1933, as amended, and accordingly neither the registration of the Bonds or the Alternate Liquidity Facility under the Securities Act of 1933, as amended, nor the qualification of an Resolution in respect thereof under the Trust Indenture Act of 1939, as amended, will be required in connection with the issuance and delivery of such Alternate Liquidity Facility or the remarketing of the Variable Rate Bonds with the benefits thereof; and (B) the written consent of the County to the selection of the Liquidity Purchaser.

(d) In lieu of the opinion of counsel required by Section 215(c)(1)(A), there may be delivered an opinion of counsel reasonably satisfactory to the County to the effect that either (i) at all times during the term of the Alternate Liquidity Facility, the Variable Rate Bonds will be offered, sold and held by Owners in transactions not constituting a public offering of the Variable Rate Bonds or the Liquidity Facility under the Securities Act of 1933, as amended, and accordingly neither the registration of the Variable Rate Bonds under the Securities Act of 1933, as amended, nor the qualification of a Resolution in respect thereof under the Trust Indenture Act of 1939, as amended, will be required in connection with the issuance and delivery of the Liquidity Facility or the remarketing of the Variable Rate Bonds with the benefits thereof, or (ii) the offering and sale of the Variable Rate Bonds and the Liquidity Facility has been registered under the Securities Act of 1933, as amended, and any Resolution required to be qualified with respect thereto under the Trust Indenture Act of 1939, as amended, has been so qualified.

216. Purchased Bonds. Bonds purchased with proceeds of a drawing on the Liquidity Facility shall constitute Purchased Bonds which shall be held as provided in the Liquidity Facility. The Remarketing Agent shall continue to use its best efforts to arrange for the sale of any Purchased Bonds, subject to reinstatement of the amount available to be drawn under the Liquidity Facility with respect to such Bonds.

If the Remarketing Agent remarkets any Purchased Bond, the Remarketing Agent shall direct the purchaser of such Purchased Bond to transfer, by 9:30 a.m., New York City time, on the purchase date, the purchase price of such remarketed Purchased Bond to the Trustee for deposit into the Remarketing Proceeds Account, to be disbursed from such Remarketing Proceeds Account solely for the purposes described in this paragraph. The Trustee shall immediately notify the Liquidity Purchaser of the receipt of the purchase price for such Purchased Bond, and upon receipt by the Liquidity Purchaser in immediately available funds of all amounts due under the Liquidity Facility and the Purchased Bond and the reinstatement of the amount available under the Liquidity Facility, such Purchased Bond shall be remarketed and delivered to the purchaser hereof. The Trustee shall transfer such purchase price to the Liquidity Purchaser upon receipt thereof and give all required notices, in accordance with the terms of the Liquidity Facility.

217. Book-Entry Format. In the event the County shall elect to implement a book-entry system with respect to the Variable Rate Bonds, the following provisions shall apply:

(a) As per the direction of the initial purchasers of the Variable Rate Bonds, the ownership of one fully registered Variable Rate Bond for each maturity of the Bonds shall be registered in the name of Cede & Co. (“Cede”), as nominee of The Depository Trust Company (“DTC”), New York, New York. If, however, the aggregate principal amount of any maturity exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount so that together they equal the aggregate principal amount of that maturity. Payments of interest on and principal and Redemption Price, if applicable, of the Variable Rate Bonds shall be made to the account of Cede on each payment date at the address indicated for Cede in the registration books of the County kept by the Bond Registrar by transfer of immediately available funds, provided, however that such payments made with respect to Variable Rate Bonds subject to the Fixed Rate Period shall be made in New York Clearing House or equivalent next day funds, and, provided further, that payments of interest with respect to Bonds which are Purchased Bonds shall be made as provided in Section 203(c). DTC has represented to the County that it will maintain a book-entry system in recording ownership interests of its participants (the “Direct Participants”) and the ownership interests of a purchaser of a beneficial interest in the Bonds (a “Beneficial Owner”) will be recorded through book entries on the records of the Direct Participants.

(b) The Variable Rate Bonds may be initially issued in the form of a separate single fully registered Variable Rate Bond in the amount of each separate stated maturity, subject to the first and second sentence of Section 217. With respect to Variable Rate Bonds so registered in the name of Cede, the County, the Paying Agent, the Trustee and the Tender Agent shall have no responsibility or obligation to any Direct Participant (with the exception of the right of Direct Participants to demand purchase of Bonds pursuant to Section 207) or to any Beneficial Owner of such Variable Rate Bonds. Without limiting the immediately preceding sentence, the County, the Paying Agent, the Trustee and the Tender Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any Direct Participant with respect to any beneficial ownership interest in the Variable Rate Bonds, (ii) the delivery to any Direct Participant, Beneficial Owner or other Person, other than DTC, of any notice with respect to the Variable Rate Bonds, including any notice of redemption, (iii) the payment to any Direct Participant, Beneficial Owner or other Person, other than DTC, of any amount with respect to the principal or Redemption Price of, or interest on, the Bonds, or (iv) any consent given or other action taken by DTC as Owner of the Variable Rate Bonds. The County, the Paying Agent, the Trustee and the Tender Agent may treat DTC as, and deem DTC to be, the absolute Owner of each Variable Rate Bond for all purposes whatsoever (with the exception of the right of Direct Participants to demand purchase of Bonds pursuant to Section 207) including (but not limited to) (i) payment of the principal or Redemption Price of, and interest on, each such Variable Rate Bond, (ii) giving notices of purchase or redemption and other matters with respect to such Variable Rate Bonds, and (iii) registering transfers with respect to such Variable Rate Bonds. The Trustee shall pay the Principal or Redemption Price of, and interest on, all Variable Rate Bonds only to the Paying Agent who shall pay to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the County’s obligations with respect to such principal or Redemption Price, and interest, to the extent of the sum or sums so paid. No Person other than DTC shall receive Variable Rate Bond evidencing the obligation of the County to make payments of principal or Redemption

Price of, and interest on, the Variable Rate Bonds pursuant to this Resolution. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions hereof, the word "Cede" in this Resolution shall refer to such new nominee of DTC.

(c) (i) DTC may determine to discontinue providing its services with respect to the Variable Rate Bonds at any time by giving reasonable written notice to the County, the Trustee, Paying Agent and the Tender Agent and discharging its responsibilities with respect thereto under applicable law.

(ii) The County, in its sole discretion and without the consent of any other Person, may terminate, upon provision of notice to the Trustee, Paying Agent and Tender Agent, the services of DTC with respect to the Variable Rate Bonds if the County determines that the continuation of the system of book-entry transfers through DTC (or a successor securities depository) is not in the best interests of the Beneficial Owners of the Variable Rate Bonds or is burdensome to the County, and shall terminate the services of DTC with respect to the Variable Rate Bonds upon receipt by the County, the Trustee, Paying Agent and Tender Agent of written notice from DTC to the effect that DTC has received written notice from Direct Participants having interests, as shown in the records of DTC, in an aggregate principal amount of not less than fifty percent (50%) of the aggregate principal amount of the then Outstanding Variable Rate Bonds to the effect, that: (A) DTC is unable to discharge its responsibilities with respect to such Variable Rate Bonds; or (B) a continuation of the requirement that all of the Outstanding Variable Rate Bonds be registered in the registration books kept by the Bond Registrar in the name of Cede, as nominee of DTC, is not in the best interest of the Beneficial Owners of such Variable Rate Bonds.

(d) Upon the termination of the services of DTC with respect to the Variable Rate Bonds pursuant to subsection (c)(ii)(B) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Variable Rate Bonds pursuant to subsection (c)(i) or subsection (c)(ii)(A) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found or which, in the opinion of the County, is willing and able to undertake such functions upon reasonable and customary terms, the Variable Rate Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede as nominee of DTC. In such event, the County shall issue and the Bond Registrar shall transfer and exchange Variable Rate Bond certificates as requested by DTC or Direct Participants of like principal amount and maturity, in Authorized Denominations to the identifiable Beneficial Owners in replacement of such Beneficial Owners' beneficial interests in the Variable Rate Bonds.

(e) Notwithstanding any other provision of this Resolution to the contrary, so long as any Variable Rate Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal or Redemption Price of, interest on, and purchase price of such Variable Rate Bond and all notices to Owners with respect to such Variable Rate Bond shall be made and given, respectively, to DTC as provided in a Letter of Representations to be entered into at the time the Variable Rate Bonds are issued by and among DTC, the County, the Trustee, the Paying Agent and Tender Agent.

(f) In connection with any notice or other communication to be provided to Bondowners pursuant to this Resolution by the Trustee with respect to any consent or other action to be taken by Bondowners so long as any Variable Rate Bond is registered in the name of Cede, as nominee of DTC, or the nominee of any successor securities depository, the Trustee shall establish a record date for such consent or other action and give DTC or any successor securities depository notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

(g) If the County purchases, or causes the Trustee to purchase with any moneys available to the Trustee, any of the Variable Rate Bonds, such purchase of Variable Rate Bonds shall be deemed to have occurred upon the purchase of beneficial ownership interests in the Variable Rate Bonds from a Direct Participant. Upon receipt by DTC of notice from the County and a Direct Participant that a purchase of beneficial ownership interests in the Variable Rate Bonds has been made by the County from such Direct Participant, DTC shall surrender to the Bond Registrar the Variable Rate Bonds referenced in such notice and, if the principal amount referenced in said notice is less than the principal amount of the Bonds so surrendered, the Bond Registrar shall authenticate and deliver to DTC, in exchange for the Bond so surrendered, a new Variable Rate Bond or Variable Rate Bonds, as the case may be, in Authorized Denominations and in a principal amount equal to the difference between (i) the principal amount of the Bond so surrendered and (ii) the principal amount referred in said notice.

(h) Notwithstanding any provision herein to the contrary, the County and the Trustee may agree to allow DTC, or its nominee, Cede, to make a notation on any Variable Rate Bond redeemed in part to reflect, for informational purposes only, the principal amount and date of any such redemption.

(i) Notwithstanding any provision herein to the contrary, so long as the Variable Rate Bonds are subject to a system of book-entry transfers pursuant to this Section, any requirement for the delivery of Bonds to the Tender Agent in connection with a tender pursuant to Section 207 or 208 shall be deemed satisfied upon the transfer, on the registration books of DTC, of the beneficial ownership interests in such Variable Rate Bonds tendered for purchase to the account of the Tender Agent, or a Direct Participant acting on behalf of or at the direction of such Tender Agent.

218. Prerequisites to Authentication of Variable Rate Bonds. In addition to the requirements of Section 203 of the Resolution, the County shall execute and deliver to the Bond Registrar and the Bond Registrar shall authenticate the Variable Rate Bonds and deliver the Variable Rate Bonds to the initial purchaser or purchasers thereof only upon compliance with the requirements of this Section 218.

Prior to the delivery on original issuance by the Bond Registrar of any authenticated Variable Rate Bonds there shall be or have been delivered to the Trustee and the Bond Registrar in addition to the documents required by Section 202 of the Resolution, the following documents:

(a) original duly executed counterparts of the Remarketing Agreement, the Liquidity Facility and the Tender Agency Agreement; and

(b) an opinion of counsel for the Liquidity Purchaser stating in the opinion of such counsel that, subject to the exceptions set forth therein, the Liquidity Facility is a valid and binding obligation of the Liquidity Purchaser enforceable against the Liquidity Purchaser in accordance with its terms.

ARTICLE III

REDEMPTION OF VARIABLE RATE BONDS

301. Privilege of Redemption and Redemption Price. Variable Rate Bonds subject to redemption prior to maturity pursuant to this Resolution shall be redeemable, upon notice as provided in this Article III, at such times, at such prices and upon such terms in addition to the terms contained in this Article III as may be specified in this Resolution.

302. Optional Redemption.

(a) The Variable Rate Bonds are subject to redemption at the direction of the County, in whole at any time or in part on any Interest Payment Date (but only with respect to Bonds having such Interest Payment Date), at a redemption price equal to the principal amount thereof plus accrued interest, if any, to the redemption date.

(b) After the Fixed Rate Conversion Date, the Bonds are subject to redemption prior to maturity at the direction of the County, in whole at any time or in part on any Interest Payment Date, upon notice as provided in this Resolution, (i) at the redemption price of 100% of the unpaid principal amount of the Bonds to be redeemed if on the first day of the Fixed Rate Period and (ii), if thereafter, at the times and at the redemption prices (expressed as percentages of unpaid principal amount) set forth below together, in the case of (i) and (ii), with interest, if any, accrued thereon to the date fixed for redemption.

Length of Fixed Rate Period from initial day
of Fixed Rate Period (expressed in years)

Redemption Prices

greater than 10

5 years after the next succeeding Interest Payment Date: at 102%; declining by $\frac{1}{2}$ of 1% annually thereafter to 100%

less than or equal to 10
and greater than 8

5 years after the next succeeding Interest Payment Date: at 101- $\frac{1}{2}$ %; declining by $\frac{1}{2}$ of 1% annually thereafter to 100%

less than or equal to 8
and greater than 6

3 years after the next succeeding Interest Payment Date: at 101- $\frac{1}{2}$ %; declining by $\frac{1}{2}$ of 1% annually thereafter to 100%

less than or equal to 6
and greater than 4

2 years after the next succeeding Interest Payment Date: at 101%; declining at $\frac{1}{2}$ of 1% annually thereafter to 100%

less than or equal to 4
and greater than 3

2 years after the next succeeding Interest Payment Date: at 101- $\frac{1}{2}$ %; declining by $\frac{1}{2}$ of 1% annually thereafter to 100%

less than or equal to 3
and greater than 2

1 year after the next succeeding Interest Payment
Date: at 101-½%; declining by ½ of 1% annually
thereafter to 100%

less than or equal to 2

on or after 1 year after the next succeeding Interest
Payment Date: at 100%

If the County directs the Trustee and the Remarketing Agent in writing that the foregoing schedule be revised, specifies a new schedule and provides the Trustee and the Remarketing Agent with an opinion of Bond Counsel that such revision will not affect the exclusion of interest on the Bonds from the gross income of the recipients thereof for federal income tax purposes, the foregoing schedule shall be revised in accordance with such direction of the County.

(c) While the Bonds bear interest at a Medium Term Rate, the Bonds are subject to redemption prior to maturity at the direction of the County, in whole at any time or in part on any Interest Payment Date, upon notice as provided in this Resolution, (i) at the redemption price of 100% of the unpaid principal amount of the Bonds to be redeemed if on the first day of the Fixed Rate Period and (ii), if thereafter, at the times and at the redemption prices (expressed as percentages of unpaid principal amount) set forth below together, in the case of (i) and (ii), with interest, if any, accrued thereon to the date fixed for redemption.

Length of Medium Term Rate Period from
initial day of Medium Term Rate Period Redemption Prices
(expressed in years)

greater than 10

5 years after the next succeeding Interest Payment
Date: at 102%; declining by ½ of 1% annually
thereafter to 100%

less than or equal to 10
and greater than 8

5 years after the next succeeding Interest Payment
Date: at 101-½%; declining by ½ of 1% annually
thereafter to 100%

less than or equal to 8
and greater than 6

3 years after the next succeeding Interest Payment
Date: at 101-½%; declining by ½ of 1% annually
thereafter to 100%

less than or equal to 6
and greater than 4

2 years after the next succeeding Interest Payment
Date: at 101%; declining at ½ of 1% annually
thereafter to 100%

less than or equal to 4
and greater than 3

2 years after the next succeeding Interest Payment
Date: at 101-½%; declining by ½ of 1% annually
thereafter to 100%

less than or equal to 3

1 year after the next succeeding Interest Payment
Date: at 101-½%; declining by ½ of 1% annually

and greater than 2

thereafter to 100%

less than or equal to 2

on or after 1 year after the next succeeding Interest
Payment Date: at 100%

If the County directs the Trustee and the Remarketing Agent in writing that the foregoing schedule be revised, specifies the new schedule and provides the Trustee and the Remarketing Agent with an opinion of Bond Counsel that such revision will not affect the exclusion of interest on the Bonds from the gross income of the recipients thereof for federal income tax purposes, the foregoing schedule shall be revised in accordance with such direction of the County.

(d) Bonds owned by the Liquidity Facility Provider as a result of a purchase under the Credit Facility are subject to redemption at the option of the County, on second Business Day after notice by the County to the Credit Provider. In addition, Purchased Bonds owned by the Liquidity Purchaser or Credit Provider Bonds owned by the provider of a Credit Facility, as a result of a purchase under the Liquidity Facility or Credit Facility, as the case may be, are subject to redemption at the option of the County, on the second Business Day after notice to the Liquidity Purchaser or the provider of the Credit Facility, as the case may be.

303. Mandatory Sinking Fund Redemption Provisions. The Variable Rate Bonds shall be subject to mandatory sinking fund redemption, if any, prior to maturity as provided in the offering document.

304. Redemption of Purchased Bonds or Credit Provider Bonds. The Variable Rate Bonds which are Purchased Bonds or Credit Provider Bonds are subject to optional redemption at the direction of the County in whole or in part on any date at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, together with interest accrued thereon to the date fixed for redemption. Purchased Bonds and Credit Provider Bonds are subject to mandatory redemption at such times and in such amounts as specified in the related Liquidity Facility or Credit Facility, as the case may be.

305. Selection of Variable Rate Bonds to be Redeemed. In the event of redemption of less than all the Variable Rate Bonds identified by the County as being subject to mandatory redemption from Sinking Fund Installments on a specific date as provided in Section 303, the particular Variable Rate Bonds or portions thereof to be redeemed shall be selected by the Trustee in such manner as the Trustee in its discretion may determine; provided, however, the portion of such Variable Rate Bonds to be redeemed and the portion of such Variable Rate Bonds to be retained by the Owner thereof shall be in the principal amount of an Authorized Denomination for the Interest Rate Period to which such Variable Rate Bonds are then subject, and provided further, any Variable Rate Bonds which are Purchased Bonds or Credit Provider Bonds shall be selected first. New Variable Rate Bonds representing the unredeemed balance of the principal amount of any such Variable Rate Bonds shall be issued to the registered Owner thereof, without charge therefor. Any new Variable Rate Bonds or Variable Rate Bonds issued pursuant to this paragraph shall be executed by the County and authenticated by the Bond Registrar and shall be in any

Authorized Denominations in an aggregate unpaid principal amount equal to the unredeemed portion of the Variable Rate Bonds surrendered.

306. Procedure for Redemption.

(a) The County shall give written notice to the Trustee and Bond Registrar of its election or direction to redeem the Variable Rate Bonds at least thirty-five (35) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee.

(b) In the event any of the Variable Rate Bonds are called for redemption, the Trustee shall give notice or cause the Bond Registrar to give notice, in the name of the County, of the redemption of such Variable Rate Bonds, which notice shall (i) specify the Variable Rate Bonds to be redeemed, the date fixed for redemption, the Redemption Price, and the place or places where amounts due upon such redemption will be payable (which shall be the principal office of the Bond Registrar and, if less than all of the Variable Rate Bonds are to be redeemed, the numbers of the Variable Rate Bonds so to be redeemed, and, if any of the Variable Rate Bonds are to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed and the letter and number or other distinguishing mark of each such Variable Rate Bonds Bond, (ii) state any condition to such redemption, and (iii) state that on the date fixed for redemption, and upon the satisfaction of any such condition, the Variable Rate Bonds to be redeemed shall cease to bear interest. Such notice may set forth any additional information relating to such redemption.

(c) Notice of redemption of the Variable Rate Bonds shall be mailed or caused to be mailed, postage prepaid, by the Trustee (i) not less than thirty (30) days before the date fixed for redemption of Variable Rate Bonds, which have not been converted to a Fixed Interest Rate, and (ii) not less than thirty (30) days before the date fixed for redemption of Variable Rate Bonds, which have been converted to a Fixed Interest Rate, to the registered owners of any Variable Rate Bonds or portions of Variable Rate Bonds, which are to be redeemed, at their addresses as they appear on the Record Date on the registration books kept by the Bond Registrar. Failure of the registered owners of any Variable Rate Bonds, which are to be redeemed to receive any such notice, shall not affect the validity of the proceedings for the redemption of Variable Rate Bonds for which proper notice has been given.

(d) Any Variable Rate Bonds and portions of Variable Rate Bonds, which have been duly selected for redemption and which are deemed to be paid in accordance with their terms, shall cease to bear interest on the date fixed for redemption in the notice of redemption referred to in paragraph (b) of this Section 306.

ARTICLE IV

TENDER AGENT AND REMARKETING AGENT

401. The Tender Agent. The Tender Agent shall accept the duties and obligations thereof under this Resolution by execution and delivery of an agreement with the County under which the Tender Agent will agree, among other things, to:

(a) hold all Variable Rate Bonds tendered to it for purchase hereunder as agent and bailee of, and in escrow for the benefit of, the respective Variable Rate Bondowners, which shall have so tendered such Variable Rate Bonds until moneys representing the purchase price of such Variable Rate Bonds shall have been delivered to or for the account of or to the order of such Bondowners;

(b) hold in accordance with this Resolution a Remarketing Proceeds Account and a Bank Bond Purchase Account, which Accounts shall be for the purposes of this Resolution and shall not constitute funds or accounts held under or subject to the pledge of the Resolution;

(c) hold all moneys paid or delivered to it under this Resolution for deposit in an account held in accordance with this Resolution for application to the purchase of Variable Rate Bonds, as agent and bailee of, and in escrow for the benefit of, the person or entity which shall have so delivered or paid such moneys until the Variable Rate Bonds purchased with such moneys shall have been delivered to or for the account of such person or entity or such moneys have been deposited with the Tender Agent as provided in Section 208;

(d) hold all Purchased Bonds or Credit Provider Bonds and deliver such Purchased Bonds or Credit Provider Bonds to the Liquidity Purchaser or Credit Facility Provider, as appropriate or transfer such Purchased Bonds or Credit Provider Bonds as directed by the Liquidity Purchaser or Credit Facility Provider, as appropriate;

(e) keep such books and records as shall be consistent with prudent industry practice and make such books and records available for inspection by the County, the Trustee, the Bond Registrar, the Remarketing Agent, the Liquidity Purchaser and the issuer of any Credit Facility or Liquidity Facility; and

(f) give notices as required under this Resolution at the times and in the manner specified.

Any successor Tender Agent shall be a bank or trust company, including a savings bank, duly organized under the laws of the United States of America or any state or territory thereof, having combined capital stock, surplus and undivided profits of at least Fifty Million Dollars (\$50,000,000) and authorized by law to perform all the duties imposed upon it by this Resolution. The Tender Agent shall have an office or agency in New York, New York. The Tender Agent may at any time resign and be discharged of the duties and obligations created by this

Resolution by giving at least sixty (60) days' notice to the County, the Trustee, the Bond Registrar, the Remarketing Agent, the Qualified Swap Provider and the issuer of any Credit Facility or Liquidity Facility, provided that such resignation shall not take effect until the appointment of a successor Tender Agent. The Tender Agent may be removed at any time by the County upon written notice to the Trustee, the Remarketing Agent, the Bond Registrar, the Qualified Swap Provider and the issuer of any Credit Facility or Liquidity Facility provided that such removal shall not take effect until a successor Tender Agent is appointed. Upon the resignation or removal of the Tender Agent, the County shall appoint a successor Tender Agent subject to the prior written approval of the provider of the Liquidity Facility, if any, in effect, at the time such Tender Agent is appointed. Upon the resignation or removal of the Tender Agent, the Tender Agent shall deliver any Variable Rate Bonds and moneys held by it in such capacity to its successor. Books and records relating to the Variable Rate Bonds shall be made available to any successor Tender Agent. If no successor Tender Agent shall have been so appointed and have accepted appointment within sixty days after the giving of such notice of resignation, the resigning Tender Agent may petition any court of competent jurisdiction for the appointment of a successor Tender Agent. Such court may thereupon after such notice, if any, as it may deem proper and prescribe, appoint a successor Tender Agent.

402. Remarketing Proceeds Account and Bank Bond Purchase Account.

(a) There are hereby created to be held by the Tender Agent the following accounts: (i) the Bank Bond Purchase Account and (ii) the Remarketing Proceeds Account. The Remarketing Proceeds Account and Bank Bond Purchase Account shall not be part of the pledge of the County contained in the Resolution. Amounts on deposit in the Remarketing Proceeds Account and Bank Bond Purchase Account shall not be commingled with each other or with the amounts held in any other fund or account under the Resolution.

(b) All amounts received by the Tender Agent representing drawings on the Liquidity Facility to pay the purchase price of Variable Rate Bonds shall be deposited in the Bank Bond Purchase Account, and used only for the payment of the purchase price of Outstanding Variable Rate Bonds in the manner and at the times specified in Section 207.

(c) All amounts received by the Tender Agent from the Remarketing Agent representing the purchase price of Variable Rate Bonds remarketed by the Remarketing Agent and all amounts received from any other source (other than a drawing under a Credit Facility or Liquidity Facility) for such payment shall be deposited in the Remarketing Proceeds Account and shall be used only for payments of the purchase price of the Variable Rate Bonds so remarketed as provided in Section 207 hereof or to the payment to the Liquidity Purchaser for Variable Rate Bonds purchased by it and remarketed.

(d) No moneys provided by the County shall be accepted for deposit to the credit of the Remarketing Proceeds Account and/or Bank Bond Purchase Account, nor shall any such moneys if deposited by mistake or otherwise, be used for the purchase of Variable Rate Bonds tendered or deemed tendered for purchase pursuant to the terms of Article II hereof. Moneys in the

Remarketing Proceeds Account and/or Bank Bond Account shall be held without liability for interest thereon.

403. The Remarketing Agent. Morgan Keegan & Company, Inc., as the initial purchaser of the 2008 Series B Bonds shall initially serve as Remarketing Agent. The Remarketing Agent shall be authorized by law to perform all of the duties imposed upon it hereby. The Remarketing Agent or any successor shall signify its acceptance of the duties and obligations imposed upon it hereunder by a Remarketing Agreement under which the Remarketing Agent will agree to:

(a) determine (which shall include inquiries of market sources as necessary to accurately ascertain the then-prevailing market conditions for the Variable Rate Bonds) each Weekly Interest Rate and the Fixed Interest Rate and give notice of such rates as set forth in Article II;

(b) keep such books and records with respect to the remarketing of the Variable Rate Bonds as shall be consistent with prudent industry practice; and

(c) use its best efforts to remarket the Variable Rate Bonds in accordance with this Resolution and the Remarketing Agreement; provided, however, that commencing with any mandatory purchase on notice of event of default under the Credit Facility described in Section 207(e), the Remarketing Agent shall suspend its remarketing of the Variable Rate Bonds until such time as the County, the Trustee, Liquidity Purchaser and the Remarketing Agent agree to the resumption of remarketing.

404. Removal or Resignation of Remarketing Agent. The Remarketing Agent may be removed at any time upon seven (7) days prior written notice (if the Qualified Swap Agreement is in effect, only with the consent of the Qualified Swap Provider) by an instrument filed with such Remarketing Agent and the Trustee and signed by an authorized officer of the County, and the County may appoint a successor in accordance with the provisions of the Qualified Swap Agreement, if in effect, and if the Qualified Swap Agreement is no longer in effect, with the prior written approval of the issuer of any Credit Facility and Liquidity Facility. Each successor Remarketing Agent at all times shall be either a member of the National Association of Securities Dealers, Inc. or registered as a dealer of municipal securities under the Securities Exchange Act of 1934, as amended, and shall have net capital of at least \$200,000,000. Notice of such removal shall promptly be provided to the Trustee in writing. The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by the Resolution by giving at least sixty (60) days' written notice to the County, the Liquidity Purchaser, the Qualified Swap Provider, the Tender Agent, the Paying Agent, the Bond Registrar and the Trustee and as otherwise provided in the Remarketing Agreement, provided that such resignation shall not be effective until a successor Remarketing Agent is selected. The Trustee shall promptly give written notice to the Bondowners of any removal or resignation of the Remarketing Agent or appointment of a successor Remarketing Agent.

405. Successor Remarketing Agents. Any corporation, association, partnership or firm, which succeeds to the business of the Remarketing Agent as a whole or substantially as a whole, whether by sale, merger, consolidation or otherwise, shall thereby become vested with all the property, rights, powers and obligations of such Remarketing Agent under the Resolution.

406. Modification of Remarketing Agent's Duties. Modifications may be made to the provisions hereof (with corresponding changes to the Remarketing Agreement) regarding the duties and responsibilities of the Remarketing Agent, the dates and times at which interest rates are to be determined, and the tender for purchase and notices of tenders, provided that the prior consent of the Remarketing Agent is obtained in writing and that:

(a) any such modification shall be subject to the prior written consent (which shall not be unreasonably withheld) of the Qualified Swap Provider and the Liquidity Purchaser;

(b) the effective date for any such modification, as it affects the Variable Rate Bonds, shall be a Business Day, which occurs not less than thirty-five (35) days following the mailing by the Trustee to all Variable Rate Bonds Bondowners of a notice setting forth the nature of the modifications and specifying the effective date thereof;

(c) prior to the effective date of the modification, the Remarketing Agent shall not offer tendered Variable Rate Bonds for sale to any Person unless it has advised such Person of the nature and effective date of the modification;

(d) replacement Variable Rate Bonds, if necessary, reflecting the modification shall be prepared prior to the effective date thereof and such replacement Variable Rate Bonds shall be delivered in connection with all transfers (including transfers upon tender) and exchanges made on or after the effective date of the modification; and

(e) prior to the effective date of the modification, the County, the Trustee, the Qualified Swap Provider, the Tender Agent, the issuer of any Credit Facility, Liquidity Facility and the Remarketing Agent shall have received a Favorable Opinion of Bond Counsel to the effect that the modification is authorized hereunder and will not adversely affect the exclusion of interest on the Variable Rate Bonds from federal income tax.

407. Remarketing Agent May Act Through Agents. The Remarketing Agent may execute any powers hereunder and perform any duties required of it through attorneys, agents, officers, or employees and shall be entitled to advice of counsel concerning all questions hereunder.

408. Dealings in the Variable Rate Bonds. The Trustee, the County, the Tender Agent, the issuer of any Credit Facility, Liquidity Facility, the Bond Registrar, Qualified Swap Provider, or the Remarketing Agent, each in its individual capacity, may in good faith and to the extent otherwise permitted by law, buy, sell, own, hold and deal in any of the Variable Rate Bonds issued hereunder, and may join in any action which any registered owner of the Variable Rate Bonds may be entitled to take with like effect as if it did not act in any capacity hereunder. The Trustee, Qualified Swap Provider, the issuer of any Credit Facility, Liquidity Facility, the Tender Agent, the

Bond Registrar, or the Remarketing Agent, each in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the County and may act as depository, trustee, or agent for any committee or body of owners of any Variable Rate Bonds secured hereby or other obligations of the County as freely as if it did not act in any capacity hereunder.

409. Cooperation by the County. The County shall cooperate with the Bond Registrar to cause the necessary arrangements to be made and to be thereafter continued whereby the Variable Rate Bonds, executed by the County and authenticated by the Bond Registrar, shall be made available for exchange, registration and registration of transfer at the Principal Office of the Bond Registrar. The County shall cooperate with the Trustee and the Bond Registrar to cause the necessary agreements to be made and thereafter continued whereby the issuer of any Credit Facility, Liquidity Facility and the Remarketing Agent shall be furnished such records and other information at such times as shall be required to enable the Paying Agent, the issuer of any Credit Facility, Liquidity Facility and the Remarketing Agent to perform the duties and the obligations imposed upon them hereunder.

410. Notices and Filings. With respect to the Variable Rate Bonds, in each and every case in the Resolution in which notice is required to be given to the County, the Trustee, the Bond Registrar and/or the Holders of Bonds then outstanding, then the applicable notice shall also be given to the Remarketing Agent, the issuer of any Credit Facility, Liquidity Facility, the Qualified Swap Provider, S&P, Fitch and Moody's. Furthermore, with respect to the Variable Rate Bonds, in each and every case in the Resolution in which a filing of a written instrument is required to be made with the Trustee or the Bond Registrar or action must be taken by an executed written instrument signed by an Authorized County Representative, then any such filings shall also be made with, and copies of such written instruments signed by an Authorized County Representative shall also be delivered to, the Remarketing Agent, the issuer of any Credit Facility, Liquidity Facility, Qualified Swap Provider, S&P, Fitch and Moody's. With respect to the Variable Rate Bonds, in each and every case in this Resolution in which a filing of a written instrument is required to be made to the Trustee, the Remarketing Agent, the issuer of any Credit Facility, Liquidity Facility, Qualified Swap Provider and/or the Bond Registrar, if one party is acting in the capacity of more than one of the above mentioned positions, notice to such party in any one of its capacities or positions hereunder shall serve as notice to such party in any of its other capacities or positions hereunder; provided, however, that if any such party shall request that it receive separate notices in each of its capacities, then it shall receive such separate notices.

ARTICLE V

LIQUIDITY FACILITY

501. Liquidity Facility. Dexia Credit Local, acting through its New York Branch, shall provide the initial Liquidity Facility relative to the Bonds. With respect to Variable Rate Bonds subject to purchase under the Liquidity Facility, the Trustee shall draw on the Liquidity Facility in accordance with the provisions of the Liquidity Facility to ensure timely payment of purchase price of tendered Variable Rate Bonds and deposit the proceeds of such drawing in the Bank Bond Purchase Account.

The Tender Agent shall notify the County and the Trustee by telephone, promptly confirmed in writing, of the amounts to be drawn, as soon as practicable and, when possible, at least one day prior to such draw on the Liquidity Facility.

The Trustee shall have the obligation to hold and maintain the Liquidity Facility for the benefit of the Owners of Variable Rate Bonds until the Liquidity Facility terminates or expires in accordance with its terms or the Fixed Rate Period has become effective. No Variable Rate Bonds which are Purchased Bonds or which are held on account of the County or any affiliate thereof shall be entitled to the benefit of the Liquidity Facility, and the Liquidity Facility shall not be drawn upon for the benefit of any such Variable Rate Bonds. If at any time during the term of the Liquidity Facility any successor Trustee shall be appointed and qualified under this Resolution, the resigning Trustee shall request that the Liquidity Purchaser transfer the Liquidity Facility to said successor Trustee. If the resigning Trustee fails to make this request, the successor Trustee shall do so before accepting appointment. When the Liquidity Facility terminates or expires in accordance with its terms, the Trustee (or successor Trustee), which is holding the Liquidity Facility, shall immediately surrender it to the Liquidity Purchaser.

Notwithstanding anything contained in this Resolution, the Trustee shall not seek to be indemnified with respect to any drawing under the Liquidity Facility pursuant to this Section prior to making any such drawing.

502. Release of Liquidity Facility. The Trustee shall not release any then existing Liquidity Facility with respect to Variable Rate Bonds subject to purchase under such Liquidity Facility, unless and until either (1) an Alternate Liquidity Facility has been provided or the principal amount of Variable Rate Bonds Outstanding has been reduced and the release is in exchange for a Liquidity Facility substantially the same as that released, but in a stated amount reflecting said lesser principal amount, (2) the Variable Rate Bonds have been converted to a Fixed Rate in accordance with Section 206 and the County directs such a release, or (3) the Variable Rate Bonds have been defeased in accordance with their terms.

503. Trustee to Reduce or Terminate Liquidity Facility. The Trustee shall, in accordance with the applicable provisions of the Liquidity Facility, take such action (including filing of certificates of reduction) as shall be required to reduce the amounts available for drawing thereunder in respect of principal and interest on the Bonds to reflect any permanent reduction in

the amount of Variable Rate Bonds Outstanding; provided, however, that the amount available to be drawn under the Liquidity Facility shall at all times be equal to the Coverage Amount.

504. Amendment of Liquidity Facility. The Trustee shall notify the Owners, the Remarketing Agent and each Rating Agency of any proposed amendment of a Liquidity Facility which would adversely affect the interests of the Owners or the Trustee, and may consent thereto upon receipt of the consent of the Owners of all Variable Rate Bonds then Outstanding which would be affected by the action proposed to be taken, provided, that the Trustee shall not, without the unanimous consent of the registered Owners of all Variable Rate Bonds Outstanding, which would be affected by the action proposed to be taken, consent to any amendment, which would (1) decrease the amount of the Liquidity Facility, or (2) reduce the term of the Liquidity Facility. The Trustee shall not be required to notify Bondowners or obtain their consent for any proposed amendment to a Liquidity Facility which would not adversely affect their interests, including any extension of the Liquidity Facility. Notwithstanding anything else provided herein an amendment of the Resolution altering the rights and duties of the Liquidity Purchaser under the Resolution shall require the prior written consent of the Liquidity Purchaser. Additionally, no amendment to a Liquidity Facility shall be effective unless the County shall obtain written evidence from the Rating Agencies then rating the Bonds that the proposed amendment in and of itself will not result in a downgrade or withdrawal of the ratings then assigned to the Bonds.

505. References to Liquidity Purchaser. Any provision of this Resolution regarding the consent of, or mandating the direction of action by, the Liquidity Purchaser shall, except as expressly provided, be deemed ineffective if (i) the Liquidity Facility issued thereby is no longer in effect and no amount is due and owing under such Liquidity Facility or (ii) the Liquidity Purchaser has failed to honor a proper draw under the Liquidity Facility.

506. [Reserved].

507. [Reserved].

508. Additional Credit Facility. In its discretion, from time to time, the County may obtain an Additional Credit Facility to provide credit support for the Variable Rate Bonds. Any such Additional Credit Facility shall be for the account of the Trustee, as trustee for the Variable Rate Bondowners.

ARTICLE VI

MISCELLANEOUS

601. Notices. Except as otherwise provided in this Resolution, all notices, certificates, requests, requisitions or other communications by the County, the Trustee, the issuer of any Credit Facility, Liquidity Facility, the Tender Agent or the Bond Registrar pursuant to this Resolution shall be in writing and shall be sufficiently given and shall be deemed given by personal delivery or when mailed by registered or certified mail, postage prepaid, and either delivered or addressed as follows: if to the County, to Shelby County Administration Building, 160 North Main Street, Suite 801, Memphis, Tennessee 38103, Attn: Director of Administration and Finance, Telephone (901) 545-4269, Facsimile (901) 545-3796 with a copy to Debt Service Manager, Shelby County Administration Building, 160 North Main Street, Suite 1150, Memphis, Tennessee 38103, Telephone (901) 545-4472, Facsimile (901) 545-4473; if to the Trustee, Paying Agent and Bond Registrar, if to County Trustee, Shelby County Administration Building, 160 North Main Street, Suite 200 Memphis, Tennessee 38103; if to the Remarketing Agent, Liquidity Purchaser or the Tender Agent, at such addresses as the Remarketing Agent, Liquidity Purchaser and the Tender Agent shall designate in writing. Any of the foregoing may, by notice given hereunder to each of the others, designate any further or different addresses or telephone numbers to which subsequent notices, certificates, requests or other communications shall be sent hereunder.

602. Payments under Qualified Swap. Payments under any Qualified Swap entered into or related to the Variable Rate Bonds, including any termination payments thereunder, shall constitute direct obligations payable from the full faith and credit of the County.

603. References to Qualified Swap Provider. Any provision of this Resolution regarding a Qualified Swap Provider shall be deemed ineffective if the Qualified Swap delivered thereby is no longer in effect and no amount is due and owing under such Qualified Swap.

604. Pledge of Full Faith and Credit. The full faith and credit and unlimited taxing power of the County as to all taxable property in the County are hereby pledged to the punctual payment of the principal of and interest on the Bonds, and the payment obligations of the County under the Credit Facility, Liquidity Facility and Qualified Swap. Adequate provision will be made for raising annually by taxation of all taxable property in the County of a sum sufficient to pay the principal of and interest on the Bonds and the payment obligations of the County under the Credit Facility, Liquidity Facility and Qualified Swap as the same shall become due. A tax sufficient to pay when due such principal and such interest shall be annually assessed, levied and collected in like manner with the other taxes of the County and shall be in addition to all other taxes authorized or limited by law.

605. Amendments to Resolution. Anything in the Resolution to the contrary notwithstanding, the County hereby agrees that any amendment to this Resolution shall be subject to the prior written consent of the Bank and the Qualified Swap Provider; provided, however, in the event that the Qualified Swap Provider shall be in default under the Qualified Swap or if such

Qualified Swap shall no longer be in effect, then the consent of such Qualified Swap Provider shall not be required for an amendment of this Resolution.

606. Tax Covenants Relating to the Variable Rate Bonds. The County covenants to maintain the exclusion from gross income for Federal income tax purposes pursuant to Section 103(a) of the Internal Revenue Code of 1986 (or any successor thereto) (the “Code”) of the interest on the Variable Rate Bonds. In furtherance of the covenants contained in the preceding sentence, the County agrees to comply with the provisions of the Tax Certificate as to Arbitrage and Instructions as to Compliance with the Provisions of Section 103(a) of the Internal Revenue Code of 1986 (the “Tax Certificate”) delivered on the date of initial issuance and delivery of the Variable Rate Bonds, as the Tax Certificate may be amended from time to time.

The County covenants and agrees with the Trustee and the Holders of the Variable Rate Bonds that the County shall not take any action or omit to take any action, which action or omission, if reasonably expected on the date of initial issuance and delivery of the Variable Rate Bonds, would cause any of the Variable Rate Bonds to be “private activity bonds” or “arbitrage bonds” within the meaning of Sections 141(a) and 148, respectively, of the Code.

Notwithstanding any other provision of the Resolution to the contrary, so long as necessary in order to maintain the exclusion of interest on the Variable Rate Bonds from gross income under Section 103(a) of the Code, the covenants contained in paragraphs 1 and 2 of this Section 606 shall survive the payment of the Variable Rate Bonds, including any payment or defeasance thereof.

607. [Reserved].

608. [Reserved]

ARTICLE VII
FORM OF VARIABLE RATE BONDS

701. Form of Variable Rate Bonds and Bond Registrar's Certificate of Authentication. Subject to the provisions of the Resolution, the form of Variable Rate Bonds and the Bond Registrar's certificate of authentication shall be of substantially the following tenor:

(FORM OF FRONT SIDE OF VARIABLE RATE BOND)

IF, AS DESCRIBED HEREIN, THIS BOND SHALL HAVE BEEN DEEMED TENDERED AND PURCHASED IN ACCEPTANCE WITH THE TERMS OF THE RESOLUTION AND IF THERE SHALL HAVE BEEN PAID TO THE OWNER THEREOF AT SUCH TIME THE PURCHASE PRICE, TOGETHER WITH INTEREST THEREON, AS PROVIDED IN SAID RESOLUTION, THEN THIS BOND SHALL BE NULL AND VOID AND OF NO FURTHER EFFECT. ALL PERSONS CLAIMING ANY RIGHT OR INTEREST IN THIS BOND, WHETHER BY TRANSFER OR OTHERWISE, SHOULD CONTACT THE BOND REGISTRAR TO DETERMINE WHETHER THE AFOREMENTIONED EVENT HAS OCCURRED.

No. _____

\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE

SHELBY COUNTY

GENERAL OBLIGATION VARIABLE RATE DEMAND
REFUNDING BOND

2008 SERIES B

Initial
Interest Rate

Maturity Date

Date of
Original Issue

CUSIP

REGISTERED OWNER:

PRINCIPAL SUM:

DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that the Shelby County one of the counties of the State of Tennessee ("County") hereby acknowledges itself indebted and for value received, hereby promises to pay to the registered owner named above or registered assigns on

the maturity date specified above, upon the presentation and surrender hereof at the principal corporate trust office of _____, as paying agent (said _____ and/or any bank or trust company to become successor paying agent being herein called the "Paying Agent"), the principal sum specified above with the interest thereon, payable _____, _____ and semi-annually thereafter on _____ and _____ until the County's obligation with respect to the payment of such principal sum shall be discharged, in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts. Interest on this Bond shall be paid when due by check or draft drawn on the Paying Agent and mailed by the Paying Agent to the registered owner and at the address shown on the registration books of the County held by _____ as bond registrar (said _____ and/or any successor bank or trust company appointed by the County to act as bond registrar herein called the "Bond Registrar" at the close of business on the 15th day of the calendar month preceding the month in which the interest payment is due; provided, however, if such 15th day is a Saturday, Sunday or holiday, then to the registered owner and at the registered address shown on the registration books of the County at the close of business on the day next preceding such 15th day of the month which is not a Saturday, Sunday or holiday.

Capitalized terms used but not defined herein shall have the meanings described thereto in the resolution (the "Resolution") of the County adopted on April __, 2008, relating to the Bonds.

[This paragraph is subject to revision with respect to any Alternate Liquidity Facility:] _____ (the "Liquidity Purchaser"), has issued its _____ concurrently with the issuance of the Bonds dated as of _____, _____, by and between the Liquidity Purchaser and the County (the "Liquidity Facility"), securing payment of the purchase price of Variable Rate Bonds which have been tendered for purchase, in accordance with the provisions of the Resolution. Under the Resolution, upon certain conditions, the Liquidity Facility may be replaced at any time by an Alternate Liquidity Facility.

This bond is one of a duly authorized issue of bonds of the County designated "General Obligation Variable Rate Demand Refunding Bonds, 2008 Series B" (the "Series _____ Bonds"), in the aggregate principal amount of \$_____ issued by the County, under County of and pursuant to the Constitution and statutes of the State of Tennessee, including Sections 9-21-101, et seq. and 49-3-1001, et seq. of the Tennessee Code Annotated called the "Act", and under and pursuant to the Resolution.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF AND SUCH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH ON THE FRONT SIDE HEREOF.

By purchase and acceptance of a Bond, the beneficial owner agrees that the County shall have no responsibility or liability for the action or inaction of The Depository Trust Company or any of its participants, nominees or successors as depository in connection with the Bonds.

THE FULL FAITH AND CREDIT AND UNLIMITED TAXING POWER OF SHELBY COUNTY, TENNESSEE, ARE HEREBY PLEDGED TO THE PUNCTUAL PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS BOND, AND THERE SHALL BE ANNUALLY LEVIED, ON ALL PROPERTY SUBJECT TO TAXATION BY SHELBY COUNTY, A TAX SUFFICIENT TO PAY THE INTEREST ON AND PRINCIPAL OF THIS BOND AS THE SAME SHALL BECOME DUE.

This Bond shall not be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the County Trustee or other Paying Agent, as authenticating agent, of the Certificate of Authentication endorsed hereon.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the Laws and Constitution of the State of Tennessee applicable thereto, and that the issuance of this Bond, and of the issue of 2008 Series B Bonds of which this bond is one, is in full compliance with all constitutional or statutory limitations or provisions.

IN WITNESS WHEREOF, Shelby County has caused this Bond to be executed by the manual or the facsimile signature of its County Mayor, Chairman of the Board of County Commissioners and County Clerk, a facsimile of the seal of the Board of County Commissioners of Shelby County to be imprinted hereon and attested to by the manual or the facsimile signature of its County Clerk, all as of the ____ day of _____, 20__.

Attest:

[SEAL]

COUNTY MAYOR

COUNTY CLERK

CHAIRMAN, BOARD OF COUNTY
COMMISSIONERS

Dated: _____

Certificate of Authentication

This Bond is one of the Bonds
described in the within
mentioned Resolution

as Paying Agent

By: _____
Title:

(Back of Bond)

REDEMPTION PROVISIONS

REDEMPTION FROM SINKING FUND INSTALLMENTS. The 2008 Series B Bonds shall be subject to mandatory redemption prior to maturity to satisfy Sinking Fund Installments commencing on _____ 1, _____ and on each _____ 1 thereafter to maturity at 100% of the principal amount of the Bonds or the portions thereof to be redeemed together with accrued interest to the redemption date.

The Sinking Fund Installments shall be payable by _____ 1 of each of the years set forth and in the respective principal amounts set forth opposite such years in the following table:

	Principal <u>Amount</u>
_____ 1	

(maturity)

In the event of redemption of less than all the Variable Rate Bonds identified by the County as being subject to mandatory redemption from Sinking Fund Installments on a specific date as provided in the Resolution, the particular Variable Rate Bonds or portions thereof to be redeemed shall be selected by the Trustee in such manner as the Trustee in its discretion may determine; provided, however, the portion of such Variable Rate Bonds to be redeemed and the portion of such Variable Rate Bonds to be retained by the Owner thereof shall be in the principal amount of an Authorized Denomination for the Interest Rate Period to which such Variable Rate Bonds are then subject, and provided further, any Variable Rate Bonds which are Purchased Bonds or Credit Provider Bonds shall be selected first. New Variable Rate Bonds representing the unredeemed balance of the principal amount of any such Variable Rate Bond shall be issued to the registered Owner thereof, without charge therefor. Any new Variable Rate Bond or Variable Rate Bonds issued in accordance with this paragraph shall be executed by the County and authenticated by the Bond Registrar and shall be in any Authorized Denominations in an aggregate unpaid principal amount equal to the unredeemed portion of the Variable Rate Bond surrendered.

The County shall give written notice to the Trustee and Paying Agent of its election or direction to redeem the Variable Rate Bonds provided, however, that such notice shall be given

at least thirty-five (35) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee. In the event any of the Variable Rate Bonds are called for redemption, the Trustee shall give notice or cause the Bond Registrar to give notice, in the name of the County, of the redemption of such Variable Rate Bonds, which notice shall (i) specify the Variable Rate Bonds to be redeemed, the date fixed for redemption, the Redemption Price, and the place or places where amounts due upon such redemption will be payable (which shall be the principal office of the Paying Agent) and, if less than all of the Variable Rate Bonds are to be redeemed, the numbers of the Variable Rate Bonds so to be redeemed, and, if any of the Variable Rate Bonds are to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed and the letter and number or other distinguishing mark of each such Variable Rate Bond, (ii) state any condition to such redemption, and (iii) state that on the date fixed for redemption, and upon the satisfaction of any such condition, the Variable Rate Bonds to be redeemed shall cease to bear interest. Notice of redemption of the Variable Rate Bonds shall be mailed or caused to be mailed, postage prepaid, by the Trustee to the registered owners of any Variable Rate Bonds or portions of Variable Rate Bonds, which are to be redeemed, at their addresses as they appear on the Record Date on the registration books kept by the Paying Agent. Failure of the registered owners of any Variable Rate Bonds, which are to be redeemed, to receive any such notice shall not affect the validity of the proceedings for the redemption of Variable Rate Bonds for which proper notice has been given.

The original registered owner, and each successive registered owner of this Bond shall be conclusively deemed to have agreed and consented to the following terms and conditions:

(1) The Bond Registrar shall keep books for the registration of Bonds and for the registration of transfers of Bonds as provided in the Resolution. The Bonds shall be transferable by the registered owner thereof in person or by his attorney duly authorized in writing only upon the books of the County kept by the Bond Registrar and only upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner of his duly authorized attorney. Upon the transfer of any such Bond, the County shall issue in the name of the transferee a new Bond or Bonds.

(2) The County, the Paying Agent and the Bond Registrar may deem and treat the person in whose name any Bond shall be registered upon the books kept by the Bond Registrar as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond as the same becomes due and for all other purposes. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the County, the Paying Agent, nor the Bond Registrar shall be affected by any notice to the contrary.

(3) At the option of the registered owner thereof and upon surrender hereof at the principal corporate trust office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney and upon payment by such registered owner of any charges which the Bond Registrar or the County may make as provided in the Resolution, the Bonds may be exchanged for Bonds of the same series and maturity of any other authorized denominations.

(4) In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the County shall execute and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Resolution. There shall be no charge for any such exchange or transfer of Bonds, but the County or the Bond Registrar may require payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the County nor the Bond Registrar shall be required (a) to transfer or exchange Bonds for a period of 20 days next preceding an interest payment date on such Bonds or next preceding any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange any Bonds called for redemption.

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto _____

(please print or typewrite name and address of transferee)

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____

Attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:_____

In the presence of:

(END OF BOND FORM)

ARTICLE VIII

EXECUTION AND DELIVERY OF DOCUMENTS, CONTINUING DISCLOSURE

801. Confirmations. The County may from time to time enter into one or more Swap Agreements which shall be memorialized using the standard documentation prepared by the International Swaps and Derivatives Association, Inc. ("ISDA"), such as the Master Agreement, Schedules and Confirmations with such changes, insertions and omissions as shall be approved by the Mayor and the Chairman, such approval to be conclusively evidenced by the execution and delivery thereof. With respect to the Bonds, the County hereby continues that certain Confirmation (Swap Transaction NUU0901290 (090000A00)) by and between the County and Goldman Sachs Mitsui Marine Derivative Products, L.P. ("Goldman") dated October 12, 2005 entered into under that certain Master Agreement by and between Goldman and the County dated as of October 29, 1997.

802. Continuing Disclosure. In the event that the Variable Rate Bonds shall cease to be exempt from the requirements of the provisions of Rule 15c2-12 in effect from time to time and applicable to the Bonds (the "Rule"), promulgated by the Securities and Exchange Commission ("Commission") pursuant to the Securities Exchange Act of 1934:

(a) The County hereby agrees, to provide or cause to be provided, to each nationally recognized municipal securities information repository ("NRMSIR") and to the State of Tennessee information depository ("SID"), if any, in each case as designated and approved by the Commission and the State, respectively, in accordance with the Rule, within 180 days following the end of each Fiscal Year of the County, commencing with the Fiscal Year ending June 30, 2008, annual financial information and operating data concerning the County, consistent with the financial information and operating data included in the official statement prepared with respect to the Bonds, and, if not included with the annual financial information, then, when and if available, audited financial statements prepared in accordance with generally accepted accounting principles applicable to the County. A copy of such annual financial information and operating data will be provided by the County to the initial purchasers of the Bonds and the County Trustee. If audited financial statements are not available at the time of required filings as set forth above, unaudited financial statements shall be filed pending the availability of audited financial statements. (The information required to be disclosed in this subsection A shall be referred to herein as the "Annual Report").

The County reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County, provided that the County agrees that any such modification will be done in a manner consistent with the Rule.

(b) The County agrees to provide or cause to be provided, in a timely manner, to (i) each NRMSIR or to the Municipal Securities Rulemaking Board ("MSRB") and (ii) the SID, if any, written notice of the occurrence of any of the following events with respect to the Bonds, if such event is material:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions or events affecting the tax-exempt status of the security;
- (vii) Modifications to rights of security holders;
- (viii) Bond calls (other than scheduled mandatory redemption the terms of which are set forth in the official statement related to the Bonds and for which notice has been provided in accordance with the Rule) or any acceleration of the maturity thereof;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the securities;
- (xi) Rating changes; and
- (xii) Any change in the County's Fiscal Year.

(c) The County agrees to provide or cause to be provided, in a timely manner, to (i) each NRMSIR or the MSRB and (ii) the SID, if any, written notice of a failure by the County to provide the Annual Report described in subsection A above on or prior to the date set forth therein.

(d) The County reserves the right to terminate its obligation to provide Annual Report and notices of material events, as set forth above, if and when the County no longer remains an obligated person with respect to the Bonds within the meaning of the Rule (either by the redemption in full or legal defeasance of all such Bonds). If the County believes such condition exists, the County will provide notice of such termination to the NRMSIR'S, the MSRB and the SID.

(e) The County agrees that its undertaking pursuant to the Rule set forth in this paragraph 802 is intended to be for the benefit of the holders and beneficial owners of the Bonds

and shall be enforceable by any holder or beneficial owner, provided that the right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the County's obligations hereunder and any failure by the County to comply with the provisions of this undertaking shall not be an event of default with respect to the Bonds.

(f) Any voluntary inclusion by the County of information in its annual report of supplemental information that is not required hereunder shall not expand the obligations of the County hereunder, and the County shall have no obligation to update such supplemental information or include it in any subsequent report.

(g) The covenants contained herein are solely for the benefit of the holders and beneficial owners of the Bonds and shall not create any rights in any other parties.

(h) Notwithstanding any other provision of this Resolution, the County may amend this paragraph 802, and any provision of this paragraph 802 may be waived, provided that the following conditions are satisfied:

(i) The amendment or waiver may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(ii) The undertaking, as amended or taking into account such waiver would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or waiver does not materially impair the interests of holders and beneficial owners as determined either by parties unaffiliated with the County or obligated person (such as the trustee or Bond Counsel), or by an approving vote of holders pursuant to the terms of the Resolution.

In the event of any amendment or waiver of a provision of this paragraph 802, the County shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of annual financial information or operating data being presented by the County. In addition, if the amendment or waiver relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in the same manner as set forth in subsection B and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

803. Appointment of Financial Advisor. The County hereby appoints Community Capital as the County's Financial Advisor for the Bonds.

804. [Reserved]

805. Defeasance. Defeasance of the Variable Rate Bonds during any Interest Period other than the Fixed Rate Period will be subject to the prior receipt of written confirmation from the Rating Agencies then assigning a rating to the Variable Rate Bonds that such defeasance of the Variable Rate Bonds during such Interest Period will not result in the ratings then in effect on the Variable Rate Bonds being reduced or withdrawn.

806. Escrow Deposit Agreement. In the event that the Refunded Bonds are not promptly redeemed after the issuance of the Refunding Bonds, the County may enter into an escrow deposit agreement.

A portion of the proceeds of the 2008 Series B Bonds, as specified in the Escrow Deposit Agreement, shall be deposited in an escrow deposit trust fund held by the Escrow Agent under the terms and provisions of the Escrow Deposit Agreement, and such proceeds shall be held irrevocably in trust in the escrow deposit trust fund under the terms and provisions of the Escrow Deposit Agreement; such moneys shall be invested at the time of deposit in U.S. Obligations (as such term is defined in the Escrow Deposit Agreement) except for certain open cash balances maintained therein from time to time, which shall be sufficient to pay the principal of, redemption premium and interest on the Refunded Bonds as the same mature and become due and payable or are redeemed prior to maturity, as provided in the Escrow Deposit Agreement.

The Mayor and Director of Administration and Finance of the County be, and both of them, or any member, counsel or associate attorney of Edwards Angell Palmer & Dodge LLP, Bond Counsel to the County, any authorized representative of Public Financial Management, Inc. or Community Capital or the Escrow Agent, hereby are authorized on behalf of the County, to cause to be filed, if necessary, subscriptions for and to purchase U.S. Obligations in such amounts, maturing at such times and bearing such rates of interest as shall be necessary (taking into account any moneys or other securities deposited with Escrow Agent at the same time for such purpose) to pay when due the principal of, redemption premium, and interest on the Refunded Bonds; and to take such other action as he may deem necessary or appropriate to effectuate the purchase of said securities. The Board hereby ratifies the actions of such individuals taken to date in connection with obtaining such U. S. Obligations.

807. Conditional Redemption Notice/Ratification of Prior Actions Taken. All actions taken by the Chief Administrative Officer/Director, Division of Administration and Finance, his staff and other County personnel to cause a conditional notice of redemption to be sent to the holders of the Refunded Bonds, are hereby ratified and confirmed.

808. Warrants Authorized. The Mayor and the Director of Administration and Finance are authorized to issue their warrant or warrants in amounts not to exceed the

aggregate sum of proceeds received from the sale of the 2008 Series B Bonds and to take proper credit in their accounting therefore.

809. Credit Enhancement Authorized. In the event that the ratings assigned to the County's general obligation indebtedness experience significant deterioration, the Chief Administrative Officer/Director, Division of Administration and Finance is hereby authorized to obtain an Additional Credit Facility relative to the Bonds to the extent it is deemed cost effective upon consultation with the County's Financial Advisor.

810. Saving Clause. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions hereof or of the Bonds issued hereunder.

811. Ratification of Prior Actions. All actions taken to date by the officials of the County with respect to the issuance and sale of the Bonds including the selection of the date of sale of the Bonds, be and they are hereby ratified, confirmed and approved.

812. Other Actions Authorized. The appropriate officials of the County are hereby authorized to execute and deliver all papers, certificates, receipts, opinions and other documents they may deem necessary or desirable, including a Credit Facility and/or Liquidity Facility and related reimbursement or similar agreements in connection with a Credit Facility or Liquidity Facility meeting the requirements of this Resolution, and to take all steps they may deem necessary or desirable to effect the prompt delivery of and payment for the Notes and to fulfill the requirements of this Resolution and may enter into letter agreements to correct or clarify any provisions of this Resolution to effect the purposes hereof.

813. Amend the Debt Service Fund Budget and Appropriate Funds. The Debt Service Fund Budget is hereby amended as provided in Exhibit 1 attached hereto and the expenditure amounts amended are hereby appropriated.

814. Repeal. All resolutions in conflict or inconsistent herewith are hereby repealed insofar as any conflict or inconsistency exists.

815. Effective Date. This resolution shall take effect immediately.

Chairman

County Mayor

Date: _____

Date: _____

Adopted: _____

ATTEST:

Clerk of County Commission

STATE OF TENNESSEE)

COUNTY OF SHELBY)

I, _____, Clerk of the Board of County Commissioners of Shelby County, Tennessee do hereby certify that the attached is a true and correct copy of proceedings pursuant to adoption of the resolution passed and adopted by the Board of County Commissioners of Shelby County in its meeting of _____, 20__.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Board of County Commissioners, at office, in the City of Memphis, this _____ day of _____, 20__.

Clerk of County Commission